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WU XUEQIAN, ZHAO ZIYANG MEETS OUTGOING ENVOYS

Wu Xueqian Appearance

OWO60902 Beijing XINHUA in English 0719 GMT 6 Aug 83

[Text] Beijing, August 6 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian met here this morning on separate occasions with Bulgarian Ambassador to China Nayden Belchev, Danish Ambassador to China R.A. Thorning-Petersen, and resident co-ordinator of the United Nations system's operational activities for development Nessim Shallon, who will soon leave China at the end of their term of office.

Zhao Ziyang Appearance

OWO61322 Beijing XINHUA in English 1256 GMT 6 Aug 83

[Text] Beijing, August 6 (XINHUA) -- Chinese Premier Zhao Ziyang this afternoon met on separate occasions with the Bulgarian ambassador to China, Nayden Belchev; the Danish Ambassador to China, R.A. Thorning-Petersen; the Lebanese ambassador to China, Salim Tadmouri; the Malaysian ambassador to China, Albert S. Talalla; and resident co-ordinator of the U.N. system's operational activities for development, Nessim Shallon. They are all at the end of their term of office, except the Lebanese ambassador who came here recently to represent his country.

THAI, OTHER PARLIAMENTARIANS TO VISIT PRC

OWO81457 Beijing XINHUA in English 1358 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- The Standing Committee of the National People's Congress of China is expected to receive six foreign parliamentary leaders in August, a rare event in the history of the congress's relations with foreign countries.

It was learned that a delegation from the House of Representatives of Thailand, led by its speaker Uthai Phimchaichon, will arrive here tomorrow for a ten-day friendly visit to China.

Five other foreign parliamentary leaders will also lead delegations to China in mid or late August. They are Svend Jakobsen, president of the Danish Parliament, Ioannis Alevras, president of the Greek Parliament, Haruo Okada, vice-speaker of the Japanese Diet, Maurice Ntahobari, president of the Rwanda National Development Council, and Charubut Ruangsuwan, speaker of the Thai Senate.

While in Beijing, these leaders will exchange views with Chinese leaders on issues of common interests, and will also visit other parts of China.

Since the First Session of the Sixth National People's Congress last June, the N.P.C. Standing Committee has received four foreign parliamentary leaders. They are Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea, Sandro Mariategui Chiappe, president of the Peruvian Senate, Valentin Paniagua Corazao, president of the Peruvian Chamber of Deputies, and Mario Giraldo Henao, second vice-president of the Colombian Senate. All these visits have enhanced the mutual understanding and friendship between the N.P.C. Standing Committee and these countries' parliaments.

WU XUEQIAN COMMENTS ON AFGHANISTAN, KAMPUCHEA

HK090235 Beijing BEIJING REVIEW in English No 31, 1 Aug 83 pp 17-18

[BEIJING REVIEW "exclusive" interview with Wu Xueqian, state councillor and minister of foreign affairs, on 23 July -- place not given]

[Text] Question: Is your coming trip to Pakistan just a protocol visit to return the visit to China by the Pakistan Foreign Minister, or does it have some specific objective?

Answer: Since becoming Foreign Minister I have received repeated invitations from Pakistan Foreign Minister Sahabzada Yaqub Ali Khan. This will be my first official good will visit to Pakistan. China and Pakistan are friendly neighbours and the leaders of our two countries frequently exchange visits and constantly exchange views on international and regional affairs as well as on bilateral relations. This helps to steadily deepen mutual understanding and cooperation between our two countries. During my visit to Pakistan, I shall have a full exchange of views with Foreign Minister Yaqub Ali Khan on further strengthening Sino-Pakistan relations and on major international issues of mutual concern, such as the attempt to find a just settlement of the Afghanistan problem. I hope my visit will contribute to consolidating and developing Sino-Pakistan friendship.

Q: What do you think of recent United Nations efforts to mediate a political settlement of the Afghanistan problem?

A: Soviet armed intervention and military occupation of Afghanistan seriously violates the United Nations Charter and the fundamental principles of international relations. The key to a political settlement of the Afghanistan problem is for the Soviet Union to withdraw its troops from Afghanistan. The UN Secretary-General's representative, Diego Cordovez, has made great efforts to seek a political settlement, but the key to a political settlement -- Soviet troop withdrawal from Afghanistan -- has still not been accepted.

Q: Do you think there is any change in the new Soviet Leaders' policy towards Afghanistan?

A: I have not yet seen any change in Soviet policy towards Afghanistan.

Q: What do you think of Pakistan's efforts to settle the Afghanistan problem?

A: I support and applaud the Pakistan Government's efforts to uphold justice and adhere to principle on the Afghanistan problem. Pakistan has worked tirelessly for a just settlement of the Afghanistan problem on the basis of the United Nations resolution and has generously provided humanitarian aid to the nearly 3 million Afghan refugees who have fled to Pakistan.

Q: What is your main purpose in going to Thailand?

A: China and Thailand are good neighbours. Since the two countries established diplomatic relations in 1975, they have enjoyed constantly strengthened ties of friendship and cooperation. This is my first goodwill visit to Thailand and I go at the invitation of Thai Foreign Minister Sitthi Sawetsila. I intend to use this opportunity to exchange views with Foreign Minister Sitthi on international issues of mutual concern, particularly the question of Kampuchea. I believe my visit will help further the friendly relations between China and Thailand. This is not only in the common interests of the people of the two countries, but is also beneficial to the maintenance of peace and stability in the region.

Q: Do you think that anything new on the Kampuchean issue has appeared since the recent ASEAN conference of foreign ministers? How would you evaluate the role of the ASEAN countries, Thailand in particular, in maintaining peace in Southeast Asia and in finding a solution to the Kampuchean question?

A: We appreciate the positive results the ASEAN Foreign Ministers' Conference achieved. But, as Vietnam has clung to its intransigent stand and refused to withdraw its troops from Kampuchea, I don't think the Kampuchean situation has changed. It must be acknowledged that on the question of Kampuchea, Thailand and the other ASEAN countries have always upheld justice and defended the UN Charter and the norms of international relations by demanding that Vietnam implement the relevant resolutions of the UN General Assembly sessions and the Declaration of the International Conference on Kampuchea and pull out all its troops from Kampuchea. The ASEAN nations have played an important role in seeking a just and reasonable solution to the Kampuchean problem and in safeguarding peace and security in the Southeast Asian region. Currently, however, the crux of the matter lies in the fact that a huge Vietnamese army still occupies Kampuchea, and without a solution to this problem it will be impossible to make any further progress towards a political settlement of the Kampuchean question.

Q: Vietnam's Foreign Minister Nguyen Co Thach has alleged time and again that "the Kampuchean question is one between China and Vietnam." Would you comment on this view?

A: As everyone knows, the heart of the Kampuchean issue is the fact that Vietnam is an aggressor and that Kampuchea is the victim of Vietnam's aggression. The Vietnamese occupation of Kampuchea, which has lasted for more than four years now, poses a grave threat to the security of the ASEAN countries and jeopardizes peace in the Asian and Pacific region and the world. China, together with the ASEAN and all other peace-loving countries, supports the Kampuchean people in their struggle against Vietnamese aggression solely for the purpose of maintaining the principle that a country's sovereignty is inviolable and preserving peace and stability in Southeast Asia and safeguarding world peace. In distorting the nature of the Kampuchean question, Vietnam has attempted to cover up its crimes of aggression, divert the attention of the world community and sow discord between China and ASEAN countries.

Q: Some have expressed the hope that China would demonstrate "flexibility" on the Kampuchean question and that it should hold talks with Vietnam. What would you say to this?

A: If Vietnam commits itself to unconditionally withdrawing its troops from Kampuchea and takes actions to that end, China will be willing to enter into negotiations with it on the normalization of relations between the two countries. The Chinese Foreign Ministry in March this year issued a statement explaining our stand and proposals on the improvement of Sino-Vietnamese relations. But up till now it has not yet received serious consideration or a positive response from the Vietnamese authorities.

WU XUEQIAN DISCUSSES OVERALL PRC FOREIGN POLICY

HK090735 Beijing SHIJIE ZHISHI in Chinese No. 13, 1 Jul 83 pp 2-4

[Foreign Affairs Minister Wu Xueqian interviewed by French journal POLITIQUE ETRANGERE -- date, place not given]

[Text] Question: According to many observers, China's foreign policy is at a turning point, the most obvious indications being the deterioration of Sino-U.S. relations and the gradual relaxation in Sino-Soviet relations. What is your opinion? Can you describe the progress of China's relations with the two big nations?

Answer: China pursues a policy of maintaining independence and keeping the initiative in its own hands in international affairs; it certainly does not attach itself to any country or bloc, nor does it submit to pressure from any great power. We define our stand on international issues in light of objective developments and based on rights and wrongs. Our basic guideline is to oppose hegemonism and preserve world peace. These policies are consistent and continuous.

Since the establishment of diplomatic relations between China and the United States in 1979, the two countries have developed ties in the interests of their peoples. However, there have always been obstacles in these ties. That is, the United States passed the "Taiwan Relations Act," which violates the principles of the communique on the establishment of diplomatic relations, and it continues to sell arms to Taiwan and interfere in China's internal affairs. In August 1982, after talks lasting 10 months, China and the United States issued a joint communique. This was a major effort made by us for the sake of preserving relations between the two countries. However, the present state of Sino-U.S. relations is not satisfactory because the U.S. side, by a series of words and deeds, distorts the communique, damages the relations between the two countries, and hurts the feelings of the Chinese people. We still hope that the U.S. Government will properly implement the fundamental principles affirmed by the joint communique for guiding relations between the two countries in all aspects; that is, mutual respect for sovereignty and territorial integrity, mutual noninterference in internal affairs, and so on, together with the relevant agreements. This is the current key factor in eliminating the obstacles, to enable Sino-U.S. relations to continue to develop on a stable and permanent basis.

China is willing to develop relations with all countries, including the Soviet Union, on the basis of the five principles of peaceful coexistence. However, there are obstacles to developing Sino-Soviet relations. Deputy foreign ministers of China and the Soviet Union have held two rounds of talks with the aim of eliminating the obstacles and improving ties between the two countries. The atmosphere at these talks was candid and calm, but they have not yet produced any results in eliminating the major obstacles. The two sides have agreed to continue to hold talks in the future. Recently, the bilateral trade between the two countries has increased to some extent. For example, the volume of trade has increased. However, with the existence of serious obstacles in the relations between the two countries, the significance of carrying out only some business contacts will be limited.

Question: Does China pursue a more lively and ambitious new policy toward the Third World? What stand does China adopt toward the North-South dialogue in this connection?

Answer: China has consistently and vigorously supported the just demands of the Third World countries for the establishment of a new international economic order and suggested promoting the progress of the establishment of a new international economic order through the promotion of the North-South dialogue and the improvement of the North-South relations.

In his opening speech at the South-South conference recently held in Beijing, Premier Zhao Ziyang expounded the principled stand and basic position of the Chinese Government toward the North-South dialogue under the present situation. We are ready to work together with the numerous Third World countries and unite with all developed countries willing to improve the North-South relations in our efforts to promote the North-South dialogue.

Question: Over the past decade, great progress has been achieved in your relations with Japan. It now seems that some changes have taken place in these relations. What do you think of the possible rearmament of Japan?

Answer: Japan is a neighbor of China and there is a long history of friendly exchanges between the Chinese and Japanese peoples. Since the two countries established diplomatic relations in 1972, the relations between them have developed very greatly. We feel satisfied with this.

With respect to the question of Japan strengthening its defense capability, the Chinese Government holds that as an independent, sovereign state, Japan has the right to possess a certain degree of self-defense armed forces. Of course, these armed forces should be defensive in nature and moderate in amount, and should not pose a threat to neighboring countries.

Question: In foreign affairs, China seems to attach great importance to the Kampuchean issue. This sometimes takes foreign observers by surprise. Does China have a relationship in the Kampuchean issue which is based on practical consideration of interests?

Answer: The Kampuchean issue has been brought about by the Vietnamese invasion. With its 200,000 invading troops forcibly occupying Kampuchea, Vietnam has not only undermined the independence and sovereignty of Kampuchea, but also seriously threatened peace in Southeast Asia and the Asian and Pacific region. This act of the Vietnamese authorities, which has wantonly trampled on the UN Charter and the standards of international relations, has caused serious concern and brought about the denunciations of the international community. The UN General Assembly has passed resolutions on many occasions, calling on Vietnam to pull all its troops from Kampuchea and to allow the Kampuchean people to decide their own future through free elections. The international conference on the Kampuchean issue has also issued a statement, urging the Vietnamese troops to withdraw from Kampuchea at an early date in order to find a just and rational solution to the Kampuchean issue.

China is not only a member of the United Nations and a permanent member of its Security Council, it is also a close neighbor of Kampuchea and the Indochinese region. It is only natural that we are concerned about the Kampuchean issue and, in accordance with the UN resolutions and the statement of the international conference on the Kampuchean issue, uphold justice so that the Kampuchean issue can be solved in a just and rational manner. China does not seek any private interests in Kampuchea. We oppose any foreign interference. We expect to see an independent, neutral, and nonaligned Kampuchea at an early date so as to achieve peace and security in Southeast Asia.

Question: How will China regard Indochina after the solution of the Kampuchean issue? In particular, how do you regard relations between China and Vietnam and, more broadly speaking, relations between China and the countries in the Indochinese peninsula?

Answer: Provided that Vietnam gives up its regional hegemonism and withdraws all its invading troops from Kampuchea, it will be possible to normalize Sino-Vietnamese relations. After the rational solution of the Kampuchean issue, China will, in accordance with the five principles of peaceful coexistence, develop its friendly relations with the three Indochinese states, sincerely coexist with them in an equal and friendly manner, support their peaceful construction, and help them build their countries into independent, flourishing, and prosperous countries through their own initiative. China has stated on many occasions that China does not have any intentions to establish its sphere of influence in the Indochinese region. China does not seek hegemony now and nor will it seek hegemony in the future.

Question: How do you evaluate the development of Poland's domestic situation today? More broadly speaking, how do you evaluate the development of situation in Eastern Europe?

Answer: The internal political situation in Poland is now calm, but of course a number of difficulties and problems still exist. No country may interfere in Poland's internal affairs. We hope that Poland will satisfactorily solve its internal problems without external interference and pressure. We want to see smooth development of Poland's efforts to revive and develop its economy. The countries of Eastern Europe have scored notable achievements in socialist construction in the 30 and more years since the war, and there has been a great improvement in standards of living there. In common with many countries in the world, in recent years they have encountered varying degrees of economic difficulties and certain other social problems. We see that they are now taking positive steps to solve the problems facing them. We hope they will score new successes.

Question: In its diplomacy a decade ago, China stressed that Western Europe should strengthen unity in dealing with the Soviet threat. What do you think of Europe's future prospects now?

Answer: For many years, the West European countries have embarked on the path of unity and self-improvement based on their present conditions, and they have made positive efforts in safeguarding their own independence, sovereignty, and security, striving for the relaxation of the European situation, and safeguarding world peace. We have consistently expressed our appreciation and support for this. Europe will play a bigger role in the international affairs. The future of Europe will be in the hands of the people of the European countries.

Question: What is your view on the domestic and foreign policies pursued by the French Socialist Party since it came to power in May 1981? In particular, how do you evaluate the development of Franco-Sino relations?

Answer: France was the first Western country to establish formal diplomatic relations with China. The Chinese Government has always attached importance to developing friendly relations with France. China and France have carried out excellent cooperation in various fields in the past 20 years, thanks to our common efforts. Leaders of the two countries have paid numerous visits to each other and held talks on major international issues and questions in the development of relations between the two countries. This has deepened mutual understanding and promoted friendly ties between the two countries. Cooperation between China and France in economics, trade and science and technology has developed continually. For instance, excellent results have been produced in joint oil prospecting, promotion of joint ventures, compensation trade, transfer of technology, and in joint survey and research of the geological structure of the Himalayas. Sino-French cultural exchanges are also growing all the time. Exchanges of students, scholars, experts, and delegations of all types have grown each year. Recently the departments concerned of the two countries have been holding talks on supplying China with equipment to facilitate his launching of French language lessons on television. All this shows that the friendly ties between the two countries have been fruitful and are now developing in a healthy way. The prospects are encouraging.

China and France both enjoy important positions in the world and play an important role in international affairs. We can consult and coordinate with each other at a number of international occasions.

Of course, we have different views on a number of issues, since our social systems are not the same. However, I believe that so long as both sides regard the overall situation as the most important thing, respect each other, treat each other as equals, and step up consultations, the differences in view between us will not affect the development of our relations. We consistently hold that strengthening the ties of friendly cooperation between the two countries is in the fundamental interest of their peoples and is also beneficial for opposing the threat of war and preserving world peace.

PRC DELEGATE CRITICIZES SOUTH AFRICAN RACISM

OW051413 Beijing XINHUA in English 1344 GMT 5 Aug 83

[Text] Geneva, August 5 (XINHUA) -- Head of the Chinese delegation to the Second World Conference To Combat Racism and Racial Discrimination Li Luye called upon the United Nations to impose comprehensive and mandatory sanctions against the South African racist regime here today.

In his speech at the conference, Li strongly condemned the South African racist regime for its system of apartheid and policies of racial discrimination and its cruel oppression of national and democratic movements at home, its illegal occupation of Namibia and its military invasions against other countries. "These outrages of the South African authorities have not only brought endless sufferings and miseries to the people of southern Africa, but are gravely threatening peace and stability in the southern part of Africa and the African Continent as a whole," Li said.

He appealed to all countries to step up political, moral and material support to the national liberation movements and front-line African states in their struggles against racism and racial discrimination. He urged all the countries, international organizations and financial institutions concerned, including the International Monetary Fund, to cease any support to the South African regime. He appealed to all countries to eradicate all practices of discrimination against colored people, migrant workers and indigenous population through the strengthening of national legislation and increased publicity and education.

He also criticized Israel for pursuing a policy of aggression and expansion in the Middle East. "The Israeli authorities have been in close collusion with the South African racist regime for many years," he said. "It is regrettable however," he said, "that in order to preserve their vested interests in southern Africa, one superpower has all along been abetting and generously supporting the South African authorities, thus becoming the chief patronage of that racist regime, and some Western countries, for their part, have also taken a negative attitude towards sanctions against South Africa."

'GROUP OF 77' VISITORS ON WORLD 'ECONOMIC ORDER'

HK080412 Beijing RENMIN RIBAO in Chinese 5 Aug 83 p 6

[Article by RENMIN RIBAO reporters Xu Qingmei and Tan Feng: "Making Common Efforts for the Establishment of a New International Economic Order -- Visiting With Three Noted Personages From the Group of 77"]

[Text] "We three people respectively come from Asia, Africa, and Latin America. Though we are visiting China privately, we do bring the voice of the people in the three continents."

Ambassador Manuel Perez Guerrero, a noted personage of the Group of 77 and an adviser for international economic affairs to the Venezuelan president, said this as he smiled and introduced to us his two colleagues, Ambassador Kenneth Dadzie, Ghanaian high commissioner to Britain, and Ambassador Sobhan, deputy permanent representative of Bangladesh to the United Nations, who were sitting beside him.

The three noted personages from the Group of 77 are on a visit to China as guests of the Chinese Foreign Ministry. They arrived in Beijing on 4 August and granted us an interview as soon as they arrived at the hotel from the airport.

The distinguished guests, coming straight to the point, pointed out the serious influence of the Western economic crisis, which has lasted for more than 3 years, upon developing countries. Ambassador Dadzie said: This economic crisis, the most serious one since the great depression of the 1930's, has the character of a structural crisis. It not only has seriously affected the economies of developed countries, but has also caused disastrous consequences to developing countries. Ambassador Sobhan said: This crisis has seriously obstructed the economic development of developing countries. Suffering from the prevailing protectionist practice, high interest rates, and high exchange rates, developing countries are confronted with difficulties of economic recession, price increase, export decline, and debt pileup. These difficulties have become more serious because Western countries have even reduced their multilateral and bilateral assistance to developing countries. They held that developing countries are the victims who suffer the most from this crisis, and this is a demonstration of the existing unfair and unreasonable international economic order.

When mentioning the signs of recovery appearing in Western industrial countries, Ambassador Dadzie said that, according to his analysis of the economic situation in the Western world, the signs of recovery are still not clear enough, and in particular, the recovery still lacks lasting momentum. Sobhan pointed out that protectionism in the Western world has not been removed to a slightest degree and Western countries have not taken any action to lessen the debt burdens on developing countries. Therefore, it is not realistic to expect that the economic recovery in the West would act as a miraculous remedy for freeing developing countries from their economic difficulties. Ambassador Perez Guerrero emphasized that a key factor for recovering the world economy is to give play to the dynamic role of developing countries. Therefore, they pointed out that it is necessary to hold sincere and direct consultation on a global sphere and to effect a structural reform of the old international economic order. They also held that developing countries out to take an active part in the above process instead of subjecting themselves to the orders of other countries.

The three distinguished guests have worked in key posts in the United Nations and other international organizations for many years and have made major efforts to safeguard the interests of developing countries in Asia, Africa, and Latin America, so they have won considerable international prestige. When talking with us, Ambassador Sobhan, the current chairman of the Group of 77, enumerated the various efforts the organization has made to change the old international economic order since the New Delhi summit of the Nonaligned Movement in March this year, and the series of action programs the organization has put forward. All this showed us that this group is playing a more and more important role in the current struggle against imperialism and hegemonism in the international economic field.

Though not a member of the Group of 77, China has consistently supported the just proposals and reasonable demands put forward by this organization. At the end of the interview, Ambassador Sobhan, on behalf of all the distinguished guests, expressed their warm gratitude to China for its resolute support for the establishment of a new international economic order, for the efforts made by the Group of 77, and for South-South cooperation. He said: Although the Group of 77 is carrying out a prolonged struggle, it will never relax its efforts, and will continue to cooperate with China and to join hands in establishing a new international economic order. Only thus can developed countries be forced to undertake their due responsibility and go into action. In conclusion, Ambassador Sobhan stressed that the establishment of a new international economic order will certainly contribute to making a better and safer world.

U.S., EGYPTIAN OFFICIALS GREET PRC ARMY DAY

OW080335 Beijing XINHUA Domestic Service in Chinese 1348 GMT 6 Aug 83

[Text] Beijing, 6 Aug (XINHUA) -- PRC Defense Minister Zhang Aiping, Chief of the General Staff of the Chinese PLA Yang Dezhi, and Commander of the Chinese Navy Liu Huaqing recently received another batch of congratulatory messages from military leaders of a number of foreign countries on the occasion of the Chinese PLA's 56th founding anniversary.

The foreign military leaders included Muhammad 'Abd al-Halim Abu Ghazalah, field marshal and minister of defense and war production of the Arab Republic of Egypt; Lt Gen Ibrahim 'Urabi, chief of the general staff of the Arab Republic of Egypt's armed forces; and Adm James D. Watkins, chief of naval operations of the United States.

BELJING SEMINAR ON AGRICULTURAL BANKING OPENS

OW081736 Beijing XINHUA in English 1640 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- A seminar on China's agricultural credit and banking system opened today in the China International Centre for Economic and Technical Exchanges. The Bangkok-based Asian and Pacific Regional Agricultural Credit Association entrusted the Agricultural Bank of China to sponsor the seminar, which was assisted by the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Food and Agriculture Organization (FAO).

The study group made of representatives of 26 agricultural banks, research institutes, international organizations and ministries of agriculture from 12 countries in Asia and the Pacific regions attended today's opening.

At the opening five representatives from the Agricultural Bank of China briefed the guests on China's agriculture, the Agricultural Bank's setup and system, agricultural credit, rural credit co-operatives and the training of the Agricultural Bank's cadres.

Chinese and foreign representatives also discussed China's agricultural production responsibility system and the Agricultural Bank's loans.

The study group will leave here tomorrow for Nanjing, Changshu, and Suzhou. The group arrived here from Bangkok on August 6. The following day President Han Lei of the Agricultural Bank of China met and gave a dinner for all members of the group.

RENMIN RIBAO ANALYZES U.S.-SOVIET NUCLEAR TALKS

HK070801 Beijing RENMIN RIBAO in Chinese 7 Aug 83 p 6

["News Analysis" by Chen Tean: "Another Round of U.S.-Soviet Nuclear Talks"]

[Text] The fourth round of the U.S.-Soviet Geneva talks on reducing strategic nuclear arms adjourned on 2 August amid mutual accusations. The U.S.-Soviet talks on medium-range nuclear weapons in Europe also broke up in discord not long ago.

The Soviet Union accused the United States of taking a stand of "sham flexibility," and lacking sincerity for negotiations, while the United States accused the Soviet Union of "unwillingness to make concessions," and failing to display the proper flexibility in the talks. Each blamed the other for the deadlock in the talks.

The key to the failure of these two parallel negotiations to produce any result lies in the fact that the two sides have not changed their basic stand and are sharply antagonistic toward each other. In the talks on strategic nuclear weapons, the disarmament plan put forward by the United States focused on reducing the number of land-based intercontinental ballistic missiles and their warheads, and proposed that the number of these missiles should not exceed the current U.S. level. Both sides should reduce the number of nuclear warheads to 5,000. This plan in fact requires the Soviet Union to make the greater reduction, with the aim of eliminating Soviet superiority in land-based missiles, while the United States can go on maintaining its superiority in ship-borne missiles. The plan proposed by the Soviet Union advocated that the two sides carry out a proportional reduction of the weapons on the basis of the existing levels. This would be more favorable for the Soviet Union, since it could maintain all its heavy land-based missiles, which pose the greatest threat to the United States, thus holding on to its superiority in land-based missiles.

In the talks on medium-range nuclear weapons in Europe, President Reagan recently put forward a proposal that both sides should possess an equal number of medium-range missile warheads. The Soviet Union resolutely opposed this and stuck to its original stand in the talks, in order to maintain its superiority in SS-20 deployment in Europe while preventing the United States from deploying new missiles there. The argument between the two sides outside these talks has been all the more fierce and endless. The United States has announced in strong terms that if the Geneva talks fail to produce concrete results, it is resolved to start deploying 572 Pershing-II's and medium-range cruise missiles in Europe at the end of this year; and the Soviet Union has made an equally strong response, declaring that it will take corresponding tit-for-tat measures. In these circumstances, with the two sides confronting each other, it is not at all surprising that these two talks have "got stuck."

Recently, however, the United States and the Soviet Union have both adopted some new postures and slightly modified their original proposals. On the question of strategic nuclear weapons, the Soviet Union has stated that the numbers of missiles and strategic bombers possessed by the two sides can be further reduced; while the United States has declared that the limit on numbers of land-based and sea-based ballistic missiles possessed by both sides can be suitably increased, as an expression of the closeness of the two sides.

What has particularly attracted attention is that the United States and the Soviet Union have recently both created the impression that the plan for medium-range missiles in Europe drawn up during the "walk in the woods" could be reconsidered.

The so-called "walk in the woods" plan was unofficially put forward last summer by the U.S. delegate during a walk in the woods with the chief Soviet delegate. The main points of this plan are: The United States will abandon its plan to deploy 108 Pershing-II's in Europe, and will reduce its planned cruise missile deployment to 75; in exchange, the Soviet Union can only keep 75 SS-20's in Europe, and in addition will not include British and French nuclear forces in the reckoning. However, the U.S. and Soviet Governments both subsequently negated this plan, and so it was shelved.

Recently there has been a slight change of tone in Moscow and Washington. Perle, U.S. under secretary of defense responsible for international security policy, revealed that the Soviet Government had by no means totally rejected the "walk in the woods" plan; on the contrary, it had instructed its delegate to the talks to further explore the details. He also announced that if the Soviet Union was willing to cooperate, the United States was prepared to readjust its scheme for deploying missiles in Europe. The Soviet Union has reacted cautiously to this plan, but according to the West Germany Social Democrat Bahr who recently visited the Soviet Union, it has expressed "strong interest" in the "walk in the woods" plan. The Soviet first deputy chief of staff said when receiving a U.S. House of Representatives delegation that the Soviet Union did not oppose in principle the implications of the "walk in the woods" plan. A high-ranking Kremlin foreign policy adviser publicly stated on 2 August that if the United States formally proposed the "walk in the woods" plan at the Geneva talks, the Soviet Union would be "willing to discuss this proposal," and so on. In Western Europe, West German Chancellor Kohl also openly urged the Soviet Union and the United States in late July to study afresh the "walk in the woods" plan. All these signs show that as the day draws nearer for NATO deployment of medium-range U.S. missiles in Europe, while arguing with each other, the United States and the Soviet Union are also probing each other's intentions. This trend is attracting people's attention.

The Western press universally holds that it is by no means accidental that the "walk in the woods" plan has been raised again at a time when the talks on medium-range missiles in Europe are deadlocked. Some newspapers say that this plan has attractions for both sides in certain respects. If this plan were put into effect, the United States would be able to deploy medium-range missiles in Europe, where it had none before, partially accomplish its deployment plan, and weaken Soviet superiority in medium-range missiles in Europe; while the Soviet Union would be able to eliminate the U.S. Pershing-II's, which cause it the most concern, and also lighten the heavy economic burden of a new round in the arms race. People therefore say that the possibility cannot be excluded of the United States and the Soviet Union reaching some sort of compromise agreement "at the last minute," based on this plan, in order to ease the tension in relations between them.

However, this certainly does not mean that the U.S.-Soviet arms race will be reduced somewhat; each side aims at weakening its opponent, strengthening itself, and gaining nuclear superiority. No matter how many changes are made in the "plans" and "proposals" submitted by the two sides, neither of them will lightly abandon this aim. Hence, after the next round of talks on nuclear arms resumes, the struggle between the United States and the Soviet Union over missiles in Europe and strategic arms will remain extremely fierce and complex.

HU YAOBANG MEETS OCCIDENTAL PETROLEUM CHAIRMAN

OWO81526 Beijing XINHUA in English 1450 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, today assured Dr. Armand Hammer that foreign oil companies will benefit from their cooperation with China.

Dr. Hammer, a figure of international standing, is chairman of the Occidental Petroleum Corporation of the United States. Hu Yaobang had a meeting with Dr. and Mrs. Hammer and their party this evening.

Hu Yaobang told Dr. Hammer that the cooperation between his and other foreign oil companies and China is of immense significance. "Such cooperation," he said, "will in the first place bring these companies a reasonable profit and, secondly, win the friendship of the Chinese people." "In my opinion," the general secretary said, "profit may be large or small, but friendship is immeasurable. Profits are passing while friendship is everlasting."

Hu Yaobang welcomed Dr. Hammer, 85, on his sixth visit to China and extended good wishes to him on behalf of the Chinese people.

In return, Dr. Hammer said his greatest wish was to see the Chinese people enabling, through hard work, their country to march along the road of progress and prosperity.

Hu Yaobang presented Dr. Hammer with two copies of a Chinese translation of "Larger Than Life -- The Remarkable Story of Dr. Armand Hammer", newly published in China.

Thanking him, Dr. Hammer said he had much to do to help enhance the understanding and friendship between the Chinese and the American peoples. "I am willing to serve as a bridge between them," he said.

The general secretary asked his guest to pass on two copies of the newly-published Chinese translation of Richard Nixon's "Leaders" to the author. "The Chinese people will never forget Nixon's contribution as President of the United States to the opening of Sino-U.S. relations and enhancing the friendship of the two peoples," Hu said.

Dr. Hammer said he would pass the books on to Nixon, a good friend of his.

After the meeting, Hu Yaobang hosted a dinner. Present on both occasions were Wang Zhen, Political Bureau member of the C.P.C. Central Committee and Kang Shien, state councillor.

U.S. PETROLEUM ENGINEERING GROUP FETED 8 AUG

OWO81505 Beijing XINHUA in English 1424 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- A banquet was held here this evening by the Chinese Scientific and Technological Association in honor of a petroleum engineering group from the United States led by Ben H. Caudle, professor of petroleum engineering at the University of Texas.

Wang Shuntong, vice-president of the association, and Prof. Caudle spoke at the banquet, wishing for more academic exchanges between the scientists of petroleum engineering of the two countries to further their mutual understanding and friendship.

Present on the occasion were Hou Xianglin, chairman of the Chinese Petroleum Society, and Li Tianxiang, vice-minister of petroleum industry.

The 75-member group came here yesterday at the invitation of the Chinese Scientific and Technological Association. They will have technical exchanges with their Chinese colleagues and visit Renqiu and Daqing oil fields.

PRC CRITICIZES U.S. CENTRAL AMERICA POLICY

'Specious Reasoning' Hit

OW071233 Beijing XINHUA in English 1100 GMT 7 Aug 83

["Commentary: Specious Reasoning" -- XINHUA headline]

[Text] Beijing, August 7 (XINHUA correspondent Mei Zhenmin) -- The announcement of the White House-approved plan for U.S. military involvement in Central America has plunged the American people into worries and triggered off uproars in many parts of the world. Under such circumstances, U.S. President Ronald Reagan had to advance various "reasons" in defense of the U.S. policy of interference in Central America.

The upheavals in Central America have a long-standing, deep-rooted internal socio-economic background. The overthrow of the Somoza dictatorship in Nicaragua was rooted in the country's economic structure that divided the population into the extreme rich and the extreme poor and the political rule of the oligarchies. The current continuous civil war in El Salvador was triggered off by the same internal causes. This is also the view of many enlightened personages of the United States and international politicians.

Reagan has tried to justify the U.S. interference in Central American affairs with the excuse that the turbulence there was sparked off by the "provocation of the Soviets and Cubans." In fact, the Latin American peoples are strongly opposed to any hegemonic interference, no matter it comes from the United States or the Soviet Union. They insist in self-determination and solving their own disputes through peaceful negotiations without outside interference. The just proposals of the Contadora Group and other Latin American countries have won wide support throughout Latin America and from the rest of the world.

The intensified interference of the United States in Central America can only show its disregard of the national and democratic aspirations of the Central American people and its intent to step up its contention for hegemonism there. It can only lead to a more intense situation in Central America, a fact which has aroused strong condemnation and opposition of the people of Central America and the world over.

Reagan also stressed that Central America is vital to the United States. By this argument, it seems that the U.S. has the right to interfere in Central American affairs. He said that as two thirds of the U.S. trade flow and nearly half of its oil supply passes through the Caribbean, Central America is vitally important to U.S. interests.

A geographical closeness and vital interests do not necessarily give the U.S. the right to interfere in Central America's affairs. Most countries in the world have common borders with neighboring nations or are geographically close to other countries and are vital to each other. If such a relationship could justify intervention, there would be no international order to speak of. Such intervention obviously runs counter to accepted international laws and the norms guiding international relations, and must not be tolerated. Washington's argument of so-called vital interests only revealed its imperialist mentality of seeking spheres of influence and big power hegemony.

The Central American countries will be ready to maintain a friendly relationship of co-existence with the United States if Washington respects their independence, sovereignty and territorial integrity and their right to choose their own system and government. If the U.S. insists on imposing on the Central American people regimes and systems they do not like and stubbornly pursues an interventionist policy, it cannot hope for a friendly Central America and will only find itself in isolation and opposed by all Central American countries. More and bigger troubles are obviously in store for the Reagan administration if it goes ahead with its large-scale intervention plans.

'Gunboat Diplomacy' Scored

HK050800 Guangzhou YANGCHENG WANBAO in Chinese 4 Aug 83 p 4

["Special to YANGCHENG WANBAO from XINHUA" by Sun Guowei: "Reagan Pursuing Gunboat Diplomacy Again -- Commenting on U.S. Military Exercise in Waters of Central America"]

[Text] At a time when the Central American countries and people are attempting to ease the strained situation there, two military exercises engineered by the United States have aroused the attention of people throughout the world.

Stir Up Trouble To Pose a Threat

Led by the aircraft carrier "Ranger," eight U.S. warships arrived in waters of the Pacific side in Central America on 25 July. At the same time, the battleship "New Jersey," cruising in the Far East, another aircraft carrier the "Coral Sea," which has just left Naples, Italy, and their auxiliary warships, are also sailing toward the Caribbean areas to join the above-mentioned warships to carry out a sea-land-air military exercise there. Usually, an aircraft carrier fleet consists of 8 warships and about 70 jet fighters. The Pentagon is also dispatching some 4,000 soldiers to take part in a joint military exercise with Honduras. By then, another 15-20 U.S. warships stationed in the Caribbean sea will also take part in a large-scale military exercise lasting about half a year.

The U.S. Government has time and again defended its military action of moving warships and dispatching troops. A State Department spokesman said: "This military exercise is not an act of pursuing gunboat diplomacy," and it "will not pose a threat to any countries." Reagan also said: "The United States has no intention whatsoever of launching a war in Central America," and "we are not going to intervene militarily in Central America." He also said: "People should not mention in the same breath the current U.S. military plan and the previous U.S. intervention in Vietnam."

However, world opinion universally holds that at a time when the foreign ministers of nine Latin American countries are holding a meeting in Panama to seek a peaceful solution so as to prevent a war in Central America, and when all countries in the world are calling for the Central American problem to be resolved by the Central American people themselves without any external interference, the United States, on the one hand, has hypocritically expressed its willingness to support the peaceful efforts of the Central American countries and, on the other hand, is displaying its military power to carry out a prolonged large-scale military exercise in the waters of Central America. Obviously, the United States is attempting to create a war atmosphere and to intensify the strained situation there. The purpose of the Pentagon in taking such a military adventure is none other than to turn the tide in its favor in Central America through U.S. military power. Without mincing words, the U.S. press disclosed that Reagan has approved a plan; that is, to intensify U.S. military intervention in Central America so as to blockade Nicaragua and to prevent the Soviet Union and Cuba from transporting ammunition into El Salvador and other areas. Jeane J. Kirkpatrick, U.S. ambassador to the United Nations, has put it clearly, saying: The U.S. action is enough to remind Nicaragua that U.S. military power should not be neglected. The United States may blockade Nicaragua at any time, which will convince the Nicaraguan Government that it should think thrice before supporting the Salvadoran guerrillas.

Escalation of Military Intervention

People have seen that the increasingly strained situation in Central America is connected to the escalation of U.S. military intervention. Over a period of time, the Pentagon has taken many serious steps: It has officially demanded that the number of U.S. military advisers dispatched to El Salvador be increased to 125 next year, an increase of 100-odd percent over this year; it plans to spend \$150 million on building air and naval bases and installations for storing weapons and ammunition in Honduras, and on dispatching engineers to clean up three airports so as to accommodate large C-5 "Galaxy" transports and other fighters; since the beginning of this year, the United States has supported thousands of exiled Nicaraguans to conduct a "secret war" along the Honduran-Nicaraguan border areas and to repeatedly raid and harass the border areas and hinterland of Nicaragua, resulting in a recent sea war between Honduras and Nicaragua in the Gulf of Fonseca and the sudden appearance of two U.S. convoy ships in nearby waters; moreover, the Pentagon is expanding its activities of ferreting out military secrets in Central America so as to timely destroy all Cuban installations in Nicaragua and other countries. People in U.S. military circles admit that these steps are probably preparations made by the United States in case of military action in Central America.

Adventurist Action Denounced Both at Home and Abroad

Although Reagan has pledged in all sincerity and seriousness that Central America will not be reduced to the status of another Vietnam, the American people still well remember the "Tonkin Gulf" incident in 1964, which resulted in wanton U.S. aggression against Indochina. With their own eyes, they saw how the United States became engaged in the Vietnam war years ago through economic aid, military aid, the dispatching of military advisers, and finally the sending of troops. Now, the United States is following the same old disastrous road in its policy toward Central America. Therefore, when the Reagan administration is moving troops about and stirring up the people to once again carry out military adventure in Central America, the whole country cries in alarm and opposition arises one after another.

The House of Representatives has adopted a bill to stop providing all secret aid to the antigovernment guerrillas in Nicaragua, which once again has foiled the Reagan administration's Central America policy. U.S. activities have also caused strong opposition from foreign countries. In particular, the Latin American people have resolved to strengthen the solidarity of the continent to counterattack the gunboat policy of the United States. The "Contadora Group" has officially written letters to Reagan and Castro, calling on them to make practical efforts for the peace in Central America. Some Western allies of the United States also believe that Reagan's Central America policy is neither appropriate nor popular. They fear that if the United States clings obstinately to its own course, it "will probably be involved in another Vietnam war" and will be "bogged down in a quagmire." Should a "disastrous conflict" appear in Central America, the whole Western alliance will be undermined, which will result in the separation of NATO.

U.S. 'ISOLATED' VETO OF UN ISRAEL RESOLUTION HIT

HK050822 Beijing RENMIN RIBAO in Chinese 5 Aug 83 p 6

["Short" commentary: "An Isolated Vote"]

[Text] On 2 August, when the UN Security Council took a vote on a draft resolution condemning Israel for the recent killing of Arabs in occupied Arab territory, the United States was the sole member casting a negative vote. This negative vote vetoed the draft resolution which represented just demands and proposals, and gave succor to Israel's bloody cruelties.

Though the U.S. Government has repeatedly advocated the necessity of seeking a peaceful solution to the Middle East problem, it not only sided with Israel when the latter openly invaded Leganon, but also continued to openly harbor the Israeli murderers when they recently killed innocent Palestinians. How can this lead to peace? This is precisely the reason why the United States' "peace process" has got nowhere in the Middle East!

The United States has indicated that it does not agree with Israel's plan for setting up settlements on occupied Arab territory. The recent tragedy in which Arab students were killed in Hebron was precisely an outcome of Israel's policy of arbitrarily expanding settlements in Hebron. Now, the U.S. Government has become mired in a self-contradictory plight: On the one hand, it is opposed to Israel's plan to expand settlements; on the other hand, it harbors Israel's bloody crimes caused by the policy of expanding settlements. What is its real intention? Its vote has explained everything.

The reason why the Middle East problem is so difficult to solve and why Israel is so arrogant is, in the final analysis, that Israel's aggressive and expansive policy is supported by the United States. If the United States does not change its course but continues to side with Israel and be hostile toward the Arab and Palestinian people, then, it is completely impossible for the U.S. Government to seek any peaceful solution to the Middle East problem.

SHANGHAI JOURNAL ON PAUL VOLCKER, U.S. ECONOMY

HK050801 Shanghai SHIJIE JINGJI DAOBAO in Chinese 18 Jul 83 p 5

[Article by Zhang Zhenya: "Will Paul Volcker Always be in Luck"]

[Text] [Editor's note] This is a piece of big news: A man who is the most controversial figure in the United States and who is a person the current President and his predecessor have hated the most was dramatically reappointed by Reagan to be chairman of Federal Reserve Board (governor of the central bank).

This appointment triggered off a sharply upward trend in international money and stock markets, which seemed to be a celebration of this news. Why was Paul Volcker so lucky? Please read this article. [end editor's note]

Paul Volcker is a former economist of the New York Chase Manhattan Bank. He was once an under secretary for monetary affairs in the Treasury Department in the Nixon administration. In the fall of 1979, when U.S. inflation developed to its postwar high, William Miller, the then chairman of the Federal Reserve Board, could find no way of dealing with the stagnant economy, the high interest rates, and the flagging U.S. dollar. So President Carter invited Volcker to take over the post.

According to U.S. law, though a president has the right to appoint the chairman of the Federal Reserve Board, he does not have the right to interfere in the latter's work, because the latter is responsible only to Congress. Of course, this is not always the case. The reason Miller could not contain inflation was precisely because he could not withstand President Carter's pressure, and was too "softhearted" when carrying out his monetary policy.

After becoming chairman of the Federal Reserve Board, Volcker decided to bring the money supply under strict control so as to change the unfavorable situation. He changed the previous practice which depended merely on changes in interest rates to control inflation. The tightening of the money market resulted in the sharp decline in the U.S. economy in the first half of 1980 and even led to Carter's failure in the presidential election. This was the opening shot of Volcker after he took office.

In 1981, President Reagan, in accordance with the theory of supply-side economics, instituted a tax reduction plan on the largest scale in U.S. history, but the deficit of the federal budget for that year reached nearly \$200 billion. This huge deficit appeared against the background of an inflation rate which remained at a high level. In order effectively to contain inflation, Volcker brought the money supply under stricter control and his monetary policy came into head-on conflict with Reagan's policy of stimulating the economy with huge financial deficits. After the money supply was further tightened, the U.S. economic situation also worsened further. Some people who are close to Reagan even called the 17-month economic recession from August 1981 to the end of 1982 a "recession created by Volcker." They talked more and more about removing Volcker from the chairmanship of the Federal Reserve Board.

However, how can people cure the chronic and stubborn disease of inflation which has lasted in the United States for 15 years without employing radical and costly remedies?

Inflation in the United States began to get out of hand in 1965, when President Johnson escalated the Vietnam war, sharply increased military expenditure, and allowed budget deficits to increase wildly. Before that, U.S. governments had adhered to the theory and suggestions put forward by famous British economist Keynes: when the economy was mired in a crisis, the government reduced taxes and increased public expenditure so as to stimulate market demand; and when inflation began to get out of hand, the government brought it under control by increasing taxes and cutting down on public expenditure. However, successive presidents mostly continued to stimulate economic development for the sake of their political interests, and this gave rise to increasingly serious inflation. In 1970, the problem of stagflation eventually appeared, and Keynes' method of alternately "stimulating" and "containing" the economy could no longer work.

Since the two sharp increases in oil prices in the 1970's, inflation has become even worse and has constituted the biggest threat to the U.S. economy.

In recent years, Volcker desperately insisted on an anti-inflationary monetary policy, and eventually brought the inflation rate down from 18 percent to 4 percent and succeeded in controlling inflation which had been out of control for 15 years. This achievement did not come easily and was really commendable.

The U.S. Government regulates the economy by means of budgets and the money supply but the right to control the money supply is held by the chairman of the Federal Reserve Board. Therefore, the person who occupying this post is called the "second most powerful figure" next to the President. If President Reagan's economic plan did not win support from Volcker, things would become very difficult. Earlier this year, Volcker's term of tenure was close to its end, and President Reagan had to consider the next presidential election. So, whether Volcker would be reappointed became an issue attracting attention from the whole world. The President met difficulties in seeking a proper successor, and Volcker recently also relaxed the control over the money supply and expressed his willingness to join the President in seeking a kind of "economic growth without inflation." So, his appointment at last became an inevitable outcome.

Though Volcker can continue to hold the reins of monetary affairs, it is still too early to say whether he will continue to realize his grand plan.

Because the capitalist economy has to develop in periodic business cycles, "economic growth without inflation" is an impossibility. Moreover, Volcker has no right to concern himself with the size of the federal budgetary deficit, which has reached 6 percent of the GNP. So, it is hard for him to perfect the U.S. monetary system.

RENMIN RIBAO NOTES MORE POVERTY-LEVEL AMERICANS

HK051058 Beijing RENMIN RIBAO in Chinese 5 Aug 83 p 7

["Special Dispatch" by Zhang Liang: "More People in the United States Are Living Below the Poverty Line"]

[Text] Washington, 3 Aug -- According to a report published yesterday by the U.S. Bureau of Censuss, the number of Americans who are living below the poverty line, designated by the U.S. Government, increased from 31.8 million people in 1981 to 34.4 million people in 1982. This accounted for 15 percent of the nation's population, and was the highest record level since 1965. (Note: The U.S. Government stipulates that a family of 4 earning less than \$9,862 yearly is considered as living below the poverty line.) Blacks and Hispanics who lived under the poverty line in 1982, made up 35.6 percent and 29.9 percent, respectively, of their total population in the United States. This percentage was exceedingly larger than that of whites.

The report analyzed that the increase of the number of poor and the decline in earnings of middle-income families in the United States last year resulted from the economic depression in the past 3 consecutive years, and the sharp increase in the number of unemployed. The report also admitted that this was related to the immense deduction of expenditures for public welfare made by the Reagan administration. It is reported that the Reagan administration cut spending for food coupons and nutrition allowances by more than \$8 billion in the past 2 years.

It is ironic that the United States now has a large stock of "surplus" grain and other food products at a time when hundreds of thousands of poor Americans are living below the poverty line. According to an estimate made by the House Education and Labor Committee, the United States is now keeping "surplus" food in stock as follows: 1 million tons of rice, 18 million bushels of wheat, 43.1 million bushels of corn, 33 million pounds of honey, 71.5 million pounds of butter, 1.8 billion pounds of milk powder, and 1.1 billion pounds of cheese. In order to protect the interests of farm owners, and to prevent the dropping of farm product prices, on the one hand, the Reagan administration has stopped distributing free surplus food to the poor; on the other hand, it has provided farmers with \$12 billion worth of surplus grain at the expense of farming less arable land. This has aroused strong and widespread dissatisfaction from the broad masses of common people.

BA YI CITES U.S. SUBVERSIVE ACTS AGAINST PRC

OW080132 (Clandestine) Ba Yi Radio in Mandarin to China 1325 GMT 5 Aug 83

[Text] Full diplomatic relations have been established between China and the United States. A certain person of the party Central Committee persistently continues pursuing his pro-U.S. foreign policy, regardless of all consequences. Despite this policy, however, recent developments and a host of facts show that the U.S. imperialists, instead of halting their subversive, sabotage, and espionage activities against our country, have intensified these activities. For example, Wang Bingzhang refused to return to the motherland; Zhou Lingfei, Mr Lu Xun's grandson, defected to Taiwan; and there are also Hu Na incident; the recently solved case of Luo Chengxun, a U.S. spy; and the case of the Tianjin spy team, headed by Li Jiaqi. All such cases were masterminded by U.S. spy agencies.

People throughout the country and all PLA commanders and fighters must heighten their vigilance and resolutely smash all schemes and tricks of the U.S. imperialists. Past experience, if not forgotten, may serve as a guide for the future. We will not repeat our mistakes if we review the history of the secret war waged against our country by U.S. imperialism.

After the founding of People's Republic of China, the U.S. imperialists immediately carried out their frenzied espionage, subversive, and sabotage activities against our country. At that time, U.S. spy agencies closely cooperated with the KMT secret service organizations in sending a large number of secret agents into the interior of our country.

That scum employed by the United States engaged in agitation and propaganda activities, and brought over some people to steal secret military, political, and economic information.

Acting on the orders of their master, such U.S.-employed spies assassinated party members, cadres, and activists; set fire to the buildings of industrial and mining enterprises; bombed important installations; destroyed railways and bridges; and burned crops and food warehouses. To create confusion and an atmosphere of terror in the country, they wantonly killed common people and burned their houses, schools, and hospitals. At that time, some cities and streets were entirely burned down, leaving several thousand families homeless.

By committing such crimes, those U.S. spies caused extremely serious damage to the state and the people, and posed a threat to the newly established republic. Then, under the party's leadership, a nationwide campaign was launched to expose the spies of U.S. imperialism and their activities. In the first year of the campaign alone, more than 20,000 U.S. spies were arrested, and a large quantity of weapons, ammunition, incendiary and demolition materials, narcotics, radios, and other U.S.-made spy equipment were captured. The most insidious case of U.S. spying was uncovered in Beijing. Acting on instructions from its master, this spy organization attempted to assassinate our party and state leaders. It planned to take advantage of the National Day parade on 1 October 1951 to kill all our central leaders at one stroke. Nevertheless, our public security departments smashed the enemy's conspiracy in a timely manner and arrested its agents.

In a word, U.S. imperialism's schemes and tricks against our country were aborted. In those years, the whole party, the whole army, and people throughout the country had a bitter hatred for U.S. imperialism, the deadly enemy of the Chinese people. Nobody had any illusions about American friendship. The broad masses of people always maintained high vigilance against the schemes and tricks of U.S. spy agencies. They assisted the public security departments in hitting hard at U.S. secret agents. In the current situation in particular, it is all the more necessary for us to draw a lesson from the past, to heighten our vigilance a hundredfold, and to resolutely expose and crush any schemes and tricks of the U.S. imperialists.

PRC SAID TO DEMAND RETURN OF PILOT, AIRCRAFT

OW091101 Hong Kong AFP in English 1049 GMT 9 Aug 83

[Text] Beijing, 9 Aug (AFP) -- China today demanded the return of the Chinese Air Force pilot who defected on Sunday and the MIG-21 jet fighter which he landed near the South Korean capital, Seoul.

The Chinese Foreign Ministry said: The South Korean authorities not only should return the aircraft to China, but the pilot as well.

But the Foreign Ministry did not say if Beijing had approached Seoul formally in the matter.

JAPAN-PRC FRIENDSHIP TREATY ANNIVERSARY MARKED

OW081421 Beijing XINHUA in English 1305 GMT 8 Aug 83

[Text] Tokyo, August 8 (XINHUA) -- A cocktail party was held here today to mark the fifth anniversary of the signing of the Japanese-Chinese Peace and Friendship Treaty.

About 180 people from the political, economic, commercial, cultural and artistic circles attended the party sponsored by a national greeting bureau on the fifth anniversary of the signing of the treaty. The treaty was signed in the Chinese capital of Beijing on August 12, 1978.

Otani Chikutan, representative of the Forum for Japan-China Exchanges, said at the party that since diplomatic relations between Japan and China were restored, and especially since the signing of the Japanese-Chinese peace and friendship treaty, exchanges between the two countries in the political, economic, and cultural fields and contacts between local governments have developed in a comprehensive and deep-going way.

He said that the two superpowers' struggle for hegemony is the root cause of war and instability of the present world.

He said, "While opposing atomic and hydrogen bombs, we should also oppose hegemonism because atomic and hydrogen bombs are used by hegemonists."

Chinese charge d'affaires ad interim to Japan Wen Chi said at the party that since the establishment of diplomatic relations between the two countries, he added, bilateral exchanges have undergone a bigger development. There are now 57 pairs of friendship provinces, counties or prefectures, and cities between the two countries, he pointed out.

He said the signing of the Sino-Japanese Peace and Friendship Treaty has laid a solid foundation for the further development of relations between the two countries.

He added that to consolidate and develop such relations will not only be beneficial to the two peoples and their later generations, but also contribute to the maintenance of peace in Asia and the rest of the world.

XINHUA HONG KONG DIRECTOR VISITS KOWLOON CITY

OWO71822 Beijing XINHUA in English 1620 GMT 7 Aug 83

[Text] Hong Kong, August 7 (XINHUA) -- Xu Jiatun, director of Hong Kong branch of XINHUA NEWS AGENCY, today paid a visit to Kowloon City, north of the Boundary Street, expressing his cordial greetings to compatriots residing here.

Xu Jiatun inquired into their living conditions and local management. Xu Jiatun expressed his appreciation when he was told that Kowloon walled city is managed by an organization elected by the local citizens themselves. Xu Jiatun also was sympathetic with the citizens for inconveniences in their living conditions.

A medical doctor told Xu Jiatun that many citizens from mainland are much concerned about the restoration of the motherland's sovereignty over Hong Kong. Xu Jiatun called on people in Hong Kong and people from the mainland to unite. "Those who agree with reunification of the motherland are patriots", he said.

VNA LIES ON CHINESE EMIGRATION TO KAMPUCHEA

OWO71349 Beijing in Vietnamese to Vietnam 1400 GMT 5 Aug 83

[Unattributed commentary: "Blaming Others"]

[Text] VNA carried a report in early July that China has a plan to resettle 8 million people in Kampuchea to replace millions of Kampucheans who have died, and that China is scheming to turn Kampuchea into one of its provinces. Upon reading this report, one can see that it is an out-and-out fabrication. VNA could not attribute this report to any source nor could it say when China had formulated this emigration plan. It was also unable to say how China is going to resettle its people in Kampuchea, a country with which it has no common border. VNA consequently had to say vaguely that China has a plan, in order to shift the blame on to China.

Anyone who has elementary knowledge of international affairs knows that Kampuchea has a total population of 7 million. Now, according to VNA, China will resettle 8 million people there, even more than the whole population of Kampuchea. Those who fabricate a story must do it in such a way that it can be believed. But VNA was extremely clumsy in spreading a story that is so preposterous that it is unbelievable. But one should not blame VNA, because the Vietnamese authorities, in wanting to shift the blame on others, have sunk so low that they have become ridiculous.

Facts have proved that after invading Kampuchea, the Vietnamese authorities resettled Vietnamese in Kampuchean provinces east of the Mekong River. Later they resettled others along the Tonle Sap in Kampuchea's hinterland. So far, the number of Vietnamese resettled in Kampuchea has reached 300,000. They seize the local people's land, fish ponds, rubber forests, and dwellings, causing many of them to become unemployed or bankrupt.

Those Vietnamese who voluntarily resettle in Kampuchea are exempt from taxes and military service. The Vietnamese aggressors who commit crimes in Kampuchea are free from the jurisdiction of the Heng Samrin administration. The latter has to wait for Vietnamese officials to be present to jointly deal with violations of the law.

Phnom Penh has launched a movement to oppose narrow nationalism and encourage Kampucheans to marry Vietnamese and learn Vietnamese. According to foreign correspondents, officials in the Phnom Penh administration have to devote 4 hours each week to learning Vietnamese.

Reality in Kampuchea shows that the Vietnamese authorities are frantically carrying out a criminal plan aimed at annihilating the Kampuchean people. At the ASEAN foreign ministerial conference held in late June the foreign ministers of ASEAN countries bluntly exposed the Vietnamese authorities' crime of resettling people in Kampuchea and causing demographic changes in Kampuchea. Extremely angry, the Vietnamese authorities on the one hand attacked the ASEAN countries for "slandering" them while on the other hand resorting to their traditional trick of slanderously charging China with the intention of resettling 8 million people in Kampuchea, in order to shift the blame on to China.

However, the Vietnamese authorities' criminal hand has been revealed. Even by trying to shift the blame on to others, they cannot evade the censure of world public opinion.

SRV'S 'BIG CRACKDOWN' IN KAMPUCHEA SCORED

BK061413 Beijing in Cambodian to Kampuchea 1030 GMT 4 Aug 83

[XINHUA correspondent's article: "Sparkling Fire That Cannot Be Extinguished"]

[Text] Foreign news agencies reported that since the end of May the Vietnamese administration has staged a big crackdown in its controlled regions in Kampuchea in order to eliminate sympathizers and supporters of the Khmer Rouge who are sympathizers and supporters of Democratic Kampuchean anti-Vietnamese patriotic forces.

No high-ranking or low-level puppet state officials or any villagers can escape from interrogation by Vietnamese troops and advisers. Hundreds of puppet state officials and many innocent people were arrested and accused of contacting the Khmer Rouge. Many others disappeared. The zones most affected by this Vietnamese crackdown are Battambang and Siem Reap Provinces in the west, and Oddar Meanchey Province in the north of Kampuchea. The Vietnamese administration believes these three provinces have more Khmer Rouge followers than other provinces. The Vietnamese sent many soldiers to surround villages. They gathered together people whom they noted having contacts with the Khmer Rouge. They then beat these villagers with sticks, burned the tips of their fingers with cigarettes, and threw hot water over them. Many others were killed by the Vietnamese in bushes near these villages.

Contacts with the Khmer Rouge that the Vietnamese administration is afraid of occurred not only among the populace in the enemy's controlled areas and the officials of the puppet state power but they happened frequently among the puppet Army's troops and officers. More and more puppet officers and troops are struggling against the Vietnamese aggressor troops. These puppet officers and troops have secretly supported the patriotic forces of Democratic Kampuchea. Therefore, the Vietnamese administration staged purges in the puppet Army. In early June, Vietnamese troops disarmed infantry brigade [kangpol thmaeu cheung] No 256 of the puppet Army. Commanders of this brigade's units from company level were arrested by Vietnamese troops, and all its soldiers were sent to other places.

These purges carried out by the Vietnamese administration have shown that the Vietnamese have been attacked not only by Kampuchean patriotic forces on various battlefields, but there is also a struggle against the Vietnamese aggressors in their controlled zones and in the puppet administration. This situation has forced the Vietnamese to fight on two fronts.

The Vietnamese aggressors, who boasted of themselves in the past 4 years as the saviors of the Kampuchean people, are sitting on a sparkling fire of the Kampuchean people's struggle against their aggression. This fire was kindled by the Vietnamese aggressors. Therefore, they have resorted to savage and barbarous suppression to support their unlawful aggression and occupation.

The Vietnamese administration's crackdown cannot eliminate the sympathy and support of the people living in the enemy's controlled zones to the Khmer Rouge. On the contrary, these purges will cause more sympathy and support to the Kampuchean patriotic forces among the people. From the end of May to the end of June, over 800 puppet soldiers deserted. Many people escaped to Democratic Kampuchea-controlled zones and joined the Kampuchean National Army and guerrillas. In mid-June, over 2,000 people demonstrated in Siem Reap town to protest against the Vietnamese administration for arresting innocent people and puppet officials in this region. The demonstrators used sticks and stones against Vietnamese troops who suppressed them.

The fact is that the sparkling fire of the Kampuchean people's struggle against the Vietnamese aggressors for national salvation cannot be extinguished. The suppression carried out by the Vietnamese administration is only pouring gasoline on this fire. The Kampuchean people increasingly oppose the Vietnamese aggressors. More agents, officers, and soldiers of the puppet administration will awaken.

NI ZHIFU MEETS BENIN WORKERS UNION DELEGATION

OWO81509 Beijing XINHUA in English 1330 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met here this afternoon with a delegation from the National Federation of Workers' Unions of Benin l'U.N.S.T.B. The delegation is led by Capo Gnanhoui Desire, member of the National Directors' Bureau and member of the executive secretariat of the l'U.N.S.T.B.

During their conversation, both sides said that workers of the two countries should further strengthen their contacts in order to advance their friendship and unity.

Present on the occasion were Liu Shi, member of the secretariat of the All-China Federation of Trade Unions, and Cosme Deguenon, Beninese ambassador to China.

The Beninese guests arrived here on July 29 at the invitation of the All-China Federation of Trade Unions. They had talks with leading members of the host federation and visited Qingdao, Shanghai and Hangzhou. They will leave here for home tomorrow.

EQUATORIAL GUINEA GETS PRC-AIDED HYDROPOWER UNIT

OWO71202 Beijing XINHUA in English 1148 GMT 7 Aug 83

[Text] Malabo, August 6 (XINHUA) -- A Chinese-aided hydropower station with total installed capacity of 3,200 kilowatts was completed and handed over to the Equatorial Guinean Government at a grand ceremony on Thursday.

President Teodoro Obiang Nguema Mbasogo cut the ribbon while thousands of local residents danced to the rhythm of the traditional African drums.

The power station, situated 17 kilometers east of Bata, will provide cheap electricity for that coastal provincial city through a twin project of a Chinese-aided high-tension network.

PRC ECONOMIC, TRADE EXHIBIT CLOSES IN LIBYA

OWO81222 Beijing XINHUA in English 1211 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- A 12-day Chinese economic and trade exhibition closed on August 5 in the city of Benghazi in northern Libya.

About 60,000 people attended the exhibition. The exhibits on display, especially those Chinese handicrafts, were appreciated by the visitors.

A Chinese official said the exhibition has promoted the understanding and friendship between the peoples of China and Libya and contributed to the development of the economic and trade ties between the two countries.

BEIJING REVIEW INTERVIEWS PLA'S YU QIULI

HK090209 Beijing BEIJING REVIEW in English No 31, 1 Aug 83 pp 13-16

["Recent" interview by BEIJING REVIEW correspondent with Yu Qiuli, member of the Political Bureau of the CPC Central Committee and of the PRC Central Military Commission, and head of the PLA General Political Department -- place not given]

[Text] Question: What is China's aim in modernizing its national defence? What is the difference between China's modernization of her national defence and the armaments race of the superpowers?

Answer: China is a peace-loving developing socialist country which requires a relatively long period of peace to build itself up. However, in this tumultuous world, China's security is seriously threatened and neither state independence nor smooth progress for socialist modernization can be guaranteed without a modern national defence and a strong people's army. The modernization of China's national defence conforms not only to the interests of the Chinese people, but also to those of the world's people.

China always has opposed the armaments race between the superpowers because it seriously threatens world peace. The aim of the superpowers' armaments race is for each to become the overlord of the world. The aim of China's modernization of its national defence is to improve its defence capacity under the conditions of modern warfare, to safeguard national security, to guard against foreign invasion and to maintain world peace.

The superpowers have spent large sum of money on developing attack weapons, long-range weapons and their carriers. Proceeding from a need to consolidate its national defence, China emphasizes the development of conventional weapons. However, to break down the nuclear monopoly and to guard against nuclear attack, we also are developing some nuclear and other sophisticated weapons. The Chinese Government repeatedly has stated that China will not be the first to use nuclear weapons, nor will it use nuclear weapons against countries that do not have such weapons.

China's socialist nature and her purpose for establishing the people's army have determined that she will never seek hegemony, never be a superpower and never invade any other country. China has not a single military base abroad and has not sent a single soldier to any other country. Neither has she entered into any military alliance or signed any military treaty with any country against a third country.

From what I have said, it is clear that there is an essential difference between China's aim in modernizing its national defence and the armaments race of the superpowers.

Q: What progress has the Chinese People's Liberation Army made in becoming a modern regular revolutionary army?

A: Tremendous progress has been made in this field since the Third Plenum of the Party's 11th Central Committee in December 1978, especially since Comrade Deng Xiaoping began to preside over the work of the Military Commission of the CPC Central Committee in June 1981. Its main manifestations are:

1. Remarkable achievements have been made in enhancing the commanders' and fighters' political consciousness and their understanding of Party and government policies. The PLA emphasizes ideological education and its commanders and fighters have been studying Marxism-Leninism and Mao Zedong Thought and the Party's political line and policies. This ensures the ideological and political identity between the army and the Party Central Committee, thus guaranteeing the whole army's highly concentrated unity under the Party and state leadership.

2. The army has made new improvements in its military capabilities and has increased its capability to conduct operations by combined army units. In the past few years, the PLA has organized training for middle-level and higher ranking officers in commanding a campaign and tactical and technical training of troops in the light of modern warfare. This has effectively improved the organizing and commanding capability of the officers and the army's militancy.

3. The army has exerted great efforts to streamline its organizational structure and reorganize itself. In accordance with the planning of the Military Commission, we have simplified the administrative structure and reduced the number of staff so that the army has become more streamlined. The organization and command of troops have moved a step forward towards combined arms units. The PLA has assigned well-educated, young, capable people loyal to the Party the motherland and the people and with professional knowledge to leading posts at various levels. This means a step towards having an officers corps that is revolutionary, younger, better educated and professionally more competent.

4. The PLA's conventional weaponry has improved measurably. Scientific research related to national defense and the development of sophisticated weapons have forged ahead.

5. New progress has been made in building the PLA into regular armed forces. Regular training and the implementation of various rules and regulations have strengthened almost every unit. The PLA's militancy and sense of organization and discipline has been enhanced.

6. Gratifying achievements have been gained in building socialist spiritual civilization throughout the army. Massive education in patriotism and communist ideology has been conducted among the troops. A large group of models and advanced collectives have come to the fore. Army leaders have emphasized the study of science and raising the general educational level of the rank-and-file. They have made efforts to train people who are able to fight and to work for socialist construction.

7. The logistics department also has had some successes. In the last few years, the PLA has strengthened its logistics work and improved its ability to provide comprehensive supplies. The logistics department has displayed the spirit of self-reliance and hard struggle. It has practiced economy, broadened its sources of income and reduced expenditures, and has improved management so as to exert maximum efficiency over limited funds and use funds and materials in a more reasonable way. All this ensures the fulfillment of the army's many tasks.

8. The unity between the army and the civil authorities, the army and people and within the army itself has been greatly strengthened. The PLA has taken an active part in rescue and relief work, assisting the construction of public facility projects. Under the unified leadership of the local party and government, the whole PLA has joined the civilians in building socialist spiritual civilization, thus cementing the relationships between the army and the government and between the army and the civilians. Both commanders and fighters, and old and new officers are making concerted efforts to contribute to building a modern regular revolutionary people's army.

All of these achievements have laid a good foundation for the army to make new break-throughs.

The series of theses on army building in the "Selected Works of Deng Xiaoping" are guiding principles for building a people's army during the new historical period. The whole army is now studying these in the light of their actual situations.

We firmly believe that with the correct leadership of the party Central Committee, the concerted efforts of the commanders and fighters and the concern and support of the people throughout the country, we are able to build the PLA into a powerful, modern regular and revolutionary army.

Q: How can the army modernize its weapons and equipment given that the national economy is being adjusted and that national defence funds have been reduced?

A: We believe that the most fundamental factors in determining the defeat or victory in war are the nature of war and the desires of the people. This will not change although future warfare may have many different characteristics and there will be new developments in weaponry and equipment. Therefore, we still believe in people's war and will enrich our concepts about it in the light of the characteristics of new warfare so as to win victories against invasion. On the other hand, we do not deny the role of advanced weaponry and equipment in determining the progress of and the defeat or victory in war, and are thus exerting efforts to modernize the weapons and equipment of the PLA. Given that the national economy is being adjusted and national defence funds have been reduced, we will, first, effectively streamline the army's administrative structure and reorganize the army so as to use the money thus saved to improve our weapons and equipment; and second, we will, with the limited funds allocated by the state, make careful calculations and strict budgets and practice economy so as to concentrate our labor force, funds and materials on research and development of the most needed weapons and equipment.

The fundamental method for modernizing weapons and equipment is to rely on our own efforts, on the development of our own defence industry and scientific research into national defence. We also will introduce some advanced techniques from abroad under certain conditions, but the possibilities are very limited. We have never pinned our hopes for modernizing our military equipment on imports. China is a big country with a big army. We cannot afford to buy all the weapons we need. Even if we could afford it, it is hard to acquire really advanced weapons of important military value. We will rely on our own efforts to modernize our national defence. The Chinese people have been proved capable of conducting research into and manufacture of modern weapons and equipment.

Q: During the revolutionary wars, the army and people were as close as fish and water. How has this relationship developed during the period of peaceful construction?

A: Since the founding of the People's Republic, many army units have entered the cities and moved into barracks. Their contacts with the masses have become relatively less frequent. Moreover, many forms through which the army contacted the masses during the revolutionary wars have become unsuitable today. The "Cultural Revolution" further damaged the army's relations with the civil authorities and the people, and in some places the relations between the army and people became quite tense during those days. Today, we have seriously summed up our experiences and lessons and eliminated the influences of "left" mistakes. We also have begun to pay much heed to the opinions of the local governments and the people, with a view to improving our work. By plunging itself into the building of socialist material and spiritual civilizations, the army now enjoys greater prestige among the masses.

Since 1979, the army has contributed 100 million workdays to assisting socialist construction in various places and has provided disaster relief on more than 5,000 occasions. Last year, it participated in the construction of public facility undertakings and in dangerous or difficult jobs, numbering 19,000 in total. The many good turns done by the army for local governments and the masses have quickly eliminated the gaps between the army and the civilians, and the war-time close fish-and-water relations have been revived.

Since last year, the army has developed frequent contacts with more than 50,000 units in different localities and have joined the masses in the building of socialist spiritual civilization. Under the leadership of local party committees and governments, the soldiers and civilians have worked together to improve social conduct through popularizing new social morality as well as scientific and cultural knowledge. As a result, profound changes have been brought about across the country. These actions have developed close relations between the army and the people and have also promoted army building.

Q: How is the army building a contingent of younger, better educated and professionally more knowledgeable cadres?

A: For historical reasons, many of our army cadres' general educational level is fairly low. This is incompatible with the modernization of our national defence. Thus, we have introduced various measures to improve the scientific and general educational level of our cadres. At present, we pay particular attention to training younger cadres who have already acquired some scientific and professional knowledge.

In recent years we have made many efforts to promote younger cadres. Many veterans have withdrawn from the forefront and a great number of outstanding young cadres with political consciousness and cultural and professional knowledge have been promoted to leading posts at various levels.

We have made it a rule that cadres above the platoon level must have received a college education. We have methodically selected a number of promising young cadres and soldiers and sent them to study or receive training in colleges or other schools. We also have enrolled, through examinations, a number of high school or college graduates. After training, these young people will become officers or will take part in the scientific research of national defence or other technical work.

We also attach importance to on-the-job training of the cadres. They are sent to short-term training courses, radio and television colleges, spare-time colleges, correspondence colleges and other forms of schools to receive general education or technical training.

Q: How does the People's Liberation Army train draftees under the new circumstances?

A: Comrade Deng Xiaoping told a full session of the Military Commission of the Party Central Committee in 1977 that the army should become a big school and our education and training should be geared to giving each soldier several skills. After training, our soldiers should have acquired the abilities in fight and to work for socialist construction. Deng's words have charted the route for our draftee training.

Besides military and political training, we also have organized scientific and cultural training with a view to turning our officers and rank-and-file into capable contributors both to the army and the country. Our training seeks to link the individual interests of the army cadres and soldiers with the interests of their families and society as well as with army building and the country's construction. This is not only beneficial to army building but also helps to infuse a large number of capable people into our country's socialist construction.

Q: What do you think of the stipulation in the new Constitution on the founding of the state Central Military Commission? What is its significance to the army construction?

A: Since the founding of the People's Republic, the People's Liberation Army has become the national army and an important component of the state apparatus. The article on the Central Military Commission in the chapter on the structure of the state in the new Constitution adopted in December last year is an important new stipulation on the state system and on the system of army leadership. It also has identified the position of the armed forces in the state system.

The establishment of the state Central Military Commission is consistent with the Party's leadership over the armed forces. As General Secretary Hu Yaobang said in his report to the 12th National Party Congress in September 1982: "The Central Committee will continue to exercise leadership over our armed forces through the state Central Military Commission which is due to be set up. We must stick to the successful practices which the party has long followed in leading the armed forces. This conforms to the supreme interests of the whole nation." The establishment of the Central Military Commission is absolutely necessary to improving the system of the state, for it incorporates the system of army leadership into the system of state leadership. This is conducive to developing the roles of the state machine and strengthening the revolutionization, modernization and regularization of our army. It also allows our army to switch to a war-time system of leadership when necessary and helps it increase its capacity to react promptly and effectively to any unexpected incident. This is most advantageous to protecting the security of the state.

RENMIN RIBAO STRESSES KEY CONSTRUCTION WORK

HK081256 Beijing RENMIN RIBAO in Chinese 8 Aug 83 p 1

[Editorial: "An Important Decision -- It Is Essential To Concentrate Finances and Materials in Order To Ensure Key Construction Projects"]

[Text] To concentrate finances and materials in order to ensure key construction projects represents the superiority of socialist planned economy and was also an important decision of the 12th party congress and the 1st Session of the 6th NPC. Editorials published by us, such as that of 23 April, "Concentrate Forces To Accomplish Some Major Items," and 19 May, "The Whole Party and the People of the Whole Country Must Attach Importance to the Interests of the Overall Situation," have expounded on this issue in some aspects. A recent work conference held by the CPC Central Committee reiterated the decision to concentrate finances and materials to ensure key construction projects and demanded that the comrades of the whole party, especially the leading cadres at all levels, unify their understanding, earnestly practice what they preach, and also persuade and mobilize the masses to resolutely carry out the decision of this conference. This is extremely important for ensuring that our country's economy will continue its healthy development.

In the years since the 3d Plenary Session of the 11th CPC Central Committee, the national economy has changed its unstable situation -- caused by serious imbalances -- and has gradually embarked on the path of healthy development. Agriculture has extricated itself from its predicament of stagnancy, which had prevailed for a long time, and has achieved all-round and sustained growth. The consumer goods industries have changed their backward situation, which had lasted a long time. Heavy industry has gradually corrected its service orientation. The whole of industry has recorded sustained growth and readjustment. The urban and rural markets have rarely been so prosperous since the founding of the state, and there has been a notable improvement in people's living standards. All this shows that the Central Committee's guiding ideology and its principles and policies on economic work are correct and that China's economic work is indeed on the right path.

What it is now necessary to remind the whole party of is that, in the face of victory, we must perceive our inadequacies and see that there are still very many problems in economic work; and a very big problem is that finances and materials are decentralized and that the key projects, centered on energy and communications, in the state plan lack a really sound guarantee. The whole party and the people of the whole country, from the leading cadres at all levels to the workers, peasants, and intellectuals, all have a sense of responsibility and urgency regarding concentrating finances and materials for key construction work, and they have taken tangible steps to promote the key projects in the state plans and to accomplish the economic construction tasks stipulated for the next 5 years by the First Session of the Sixth NPC, so as to lay a sound foundation for vigorous economic development in the 1990's and for achieving the great goal of quadrupling total annual industrial and agricultural output value by the end of the century.

China's economic development has seen several ups and downs in the past 30 and more years and has followed a tortuous course. Naturally, there are political reasons for this -- political instability and the assault on economic activities by continuous political movements caused repeated interruptions in economic development; and there are also economic reasons, that is, similarly, the existence of "leftist" mistakes in guiding ideology, divorce from China's realities, impatience for success, and more haste with less speed. It frequently happened that as soon as the economic situation improved slightly, very many comrades lost their heads and put forward all kinds of unrealistic slogans. "Get going and go all-out," "Ten thousand horses galloping ahead," and blind expansion of the scale of capital construction caused serious proportional imbalances and reversed an economic situation that was in fact very good, and in the end we were forced to carry out readjustment. Since the 3d Plenary Session of the 11th CPC Central Committee, the Central Committee and State Council have paid great attention to this problem and have frequently reminded all localities to absorb the lessons of history, resolutely implement the readjustment principle, and establish a guiding ideology of acting according to our ability, which is suited to our national condition. That is why we have enjoyed healthy development of the economy.

However, in the wake of the turn for the better in the economic situation, certain comrades have again departed from practical possibilities and have considered carrying out some more construction and launching more projects. In 1981, the state devoted a lot of energy to cutting the scale of capital construction, reducing investment by over 10 billion yuan compared with 1980. In 1982, due to a large increase in capital raised by the localities, departments, and enterprises themselves, and also in bank loans, total capital construction investment rose sharply, by over 10 billion yuan, compared with 1980. This momentum has continued to develop this year, and the scale of construction actually arranged by the localities and departments far exceeds that set by the state plan. Due to the excessive growth of capital construction investment, there are now renewed shortages of supplies of energy and raw materials; previously, these shortages had eased for a time. The old malady of capital construction squeezing aside production, heavy industry squeezing aside light industry, projects not covered by the plan squeezing aside those covered by it, and ordinary projects squeezing aside key projects is tending to break out again. Very clearly, this dramatic increase in the scale of capital construction certainly does not show that the state has ample capital and that an upsurge of construction is imminent; precisely to the contrary, it shows that capital is gravely decentralized and that the proportional relations which had been relatively well harmonized through several years of effort are again facing a grave challenge.

Only by making a prompt decision to concentrate the decentralized finances and materials and keep the total scale of capital construction under control can we eliminate the hidden dangers, ensure that the key state construction projects can be promoted, and bring about a new situation in the whole field of economic construction.

This does not mean that we can devote less effort to or save our efforts in carrying out construction. It is necessary for us to engage in construction, but in promoting construction, we must act according to our capability: concentrating our limited financial and material resources and, in the first place, guaranteeing that the needs of those construction projects of decisive significance to the overall situation of the national economy be catered to. Only by sacrificing certain partial and local interests can we guarantee overall success. The growth rate of industrial and agricultural production and that of national income were rather high in the past few years. However, in order to improve the livelihood of the peasants, staff members, and workers and to increase, to a certain extent, the funds reserved for localities and enterprises, most of the newly increased national income was distributed to the peasants and the rest to staff members, workers, and enterprises. As a result, the financial income of the state was not increased; it decreased. That is to say, relatively speaking, the cash controlled by the central government is reduced as the peasants, staff members, and workers as well as enterprises and localities get a larger share. Such a circumstance, as a special case in a certain period, absolutely cannot last forever. Otherwise, the central government will not be able to carry out the key construction projects centering around energy and communications, and will not be able to ease the shortage in energy supply and in communications and transportation capacity, which are the weakest links restricting the development of the national economy. At present, due to the overdispersion of financial and material resources and the expansion of the scale of capital construction, the prices of means of production have been arbitrarily raised in many places, and the practices of exacting charges on and extorting money from those units in charge of key projects have run wild to an intolerable extent. Consequently, the cost of capital construction projects is greatly increased, and the financial burden on the state becomes heavier. In order to concentrate financial and material resources and guarantee the completion of key projects, all areas and all departments must conscientiously examine all capital construction projects in progress, all projects which are not included in the state plan must be abandoned in good time, and all duplicate projects, all projects which have been blindly started, and all projects which use outdated technologies and consume much energy must resolutely be suspended. We must strictly enforce financial and economic discipline and resolutely check the evil tendencies of arbitrarily raising prices and recklessly exacting charges. At the same time, we must properly collect more funds from localities and enterprises. "Money must be used where it is needed most," and those projects included in the state plan concerning the basic industries of energy, communications, raw material production, and so on are exactly ones where "money is needed most." If we fail to complete these projects, we will lack energy, transportation capacity, and raw materials, and our efforts to promote local processing industry will be in vain. However, if these projects are successfully completed, there will be a bright prospect for the overall situation.

This does not mean that localities and enterprises will not be allowed to reserve funds for themselves and thus will not be able to give full play to their initiative. Financial resources had been under unified control over a long period of time and the funds reserved for localities and enterprises had been rather limited. Such a policy was unfavorable to bringing the initiative of localities and enterprises into full play. Since the third plenary session, as the economic structural reform is carried out step by step, localities and enterprises have been granted a certain degree of self-decision-making power and controlling power over their own financial resources. This is absolutely necessary.

Now, the problem is that while the profits retained by localities and enterprises are increasing, the profits handed over to the state are decreasing. Some localities and enterprises make every effort to retained more profits and reduce the share to be handed over to the state, or even infringe upon the interests of the state by resorting to evading taxes and other practices. The extremely bad practice of seeking personal interests by extorting money from the state has become prevalent in some areas. On the other hand, the funds reserved for localities and enterprises are usually allocated to some projects which seem necessary in terms of partial and local interests but are, in fact, not so urgent in view of the overall situation, or these funds are even used to operate some blindly started projects which are completely unnecessary. Moreover, much of these funds are also used for arbitrarily awarding bonuses. All these practices, which cannot bring initiative into full play but mean more serious blindness in construction, have proved to have a notable impact on the state plan and the state's financial revenue. We must give full play to initiative while preventing blindness. By taking some reasonable measures, the central government will, from now on, properly collect a little more funds from localities and enterprises. This does not mean to negate the economic structural reform or to return to the old road of unified financial control. Localities and enterprises will still enjoy a certain degree of self-decisionmaking power and will have control over a rather large portion of reserved funds. Therefore, they still can do a lot of things. They can concentrate their efforts on local energy and communications projects, on the technical transformation and development of existing enterprises, and on the building of some living quarters for staff members and workers, but they can no longer "make bricks without straw" or continue to arbitrarily pay out various bonuses and allowances.

Still less does this mean that the livelihood of the people cannot be improved in the future. The fundamental aim of socialist construction is to improve the living standards of the people on the basis of increased production. In an effort to solve the longstanding problems in the people's livelihood left over from the past, it was necessary to increase substantially in the past few years the income of peasants, workers, and staff members and to increase the proportion of the consumption fund in the national income. However, if, in the distribution of national income, we spend too much on consumption but too little on construction, the progress of social expanded reproduction will be affected and the steady improvement of the people's living standards will thus lose its material basis. Judging from this fundamental reason, it is imperative to turn gradually to normal the practice of the past few years of using all newly increased national income on increasing the income of peasants, workers, and staff members and on increasing living expenses, which had a characteristic of readjustment. In the future, we should not expect to increase the income of peasants by raising the purchasing prices of farm produce and sideline products, reducing the bases for state purchase, and expanding the scope of negotiated price products. Instead, we should rely on scientific farming, developing diversified undertakings, strengthening and improving operation and management, developing production, and reducing costs. The effective policy of the system of contracted responsibilities with payment linked to output will not be changed, and neither will the purchasing prices for farm produce and sideline products be changed in general. With these two policies being unchanged, more and more peasants will become prosperous. In the process of their becoming rich, we request they make some more contributions to the construction of the state. This is also for the sake of their long-term interests, and the peasants will readily accept it. The livelihood of urban workers and staff members will also improve to some extent but the growth of their salaries, bonuses, and welfare funds should be lower than that of labor productivity, of enterprise profits, and of the taxes turned over to the state. Only in this way can we give consideration to both construction and livelihood and to both immediate and long-term interests.

Comrade Chen Yun has said on many occasions: "First, the people must have sufficient food; second, socialist construction must be carried out. If we eat and use up all we produce, there will be no prospects for the state. If, after eating, we still have something to spare for construction, there will be prospects for the state." By no means should we pay attention only to the present by eating and using up everything. It is absolutely necessary to stand on a higher plane, see farther, and, after having something to eat and use, engage in some key projects and invest in for some major items for ourselves and for our future generations.

To concentrate finances and materials in order to strengthen key construction work constitutes an objective requirement of the economic development. It is not a question of whether we can concentrate them or not; we should absolutely concentrate them. Ours is a socialist country. It is necessary to uphold the principle of the leading role of the planned economy and the supplementary role of regulation by market mechanism. It is necessary to solve correspondingly the relationship between concentration and unification on the one hand, and appropriate decentralization on the other, according to this principle. If we do not uphold the leading role of the planned economy, it will be impossible to integrate closely the various aspects and parts of the national economy, to avoid the blind development of the social economy and the confusion arising from this, and to ensure that the national economy develops in a coordinated manner and according to the unified plan. If we do not uphold the supplementary role of regulation by market mechanism by concentrating excessively and unifying too rigidly, the national economy will not develop healthily either. There was indeed a problem of overconcentration in the past. Under these circumstances, it is correct to stress the advantages of appropriate decentralization and the necessity of regulation by market mechanism and of applying the law of value. Recently, there has been a prevalent view which exclusively regards the structural reform of the economy as the decentralization of power and interests and which regards decentralization as absolutely good and concentration as absolutely bad. This is incorrect. Like appropriate decentralization, necessary concentration is the inherent requirement of the socialist economy. Moreover, taken as a whole, the principal aspect of our economic activities should be the concentration of the planned economy and not the decentralization of regulation by market mechanism. If we weaken the necessary concentration and unification, this constitutes not progress but retrogression, and it will be impossible to ensure the progress of our economy along the socialist road.

To concentrate finances and materials in order to ensure key construction projects is also a successful experience in China's economic construction. In the First 5-Year Plan period, we concentrated finances and materials on several hundred big and medium-sized projects, centering on 156 key construction projects. As a consequence, we had a number of key enterprises and gradually established an independent and relatively comprehensive industrial system. In the 1970's, we made great efforts to build more than 10 big chemical fertilizer and several big chemical fiber projects so that the fertilizer program of agriculture and the clothing problem of the people could be basically solved now. Today, when there is a possibility for us to stride toward the new grand objective, we cannot refrain from admiring the foresight and sagacity of the proletarian revolutionaries and the economic workers of the older generation who, under the still very difficult living conditions at that time, were determined to develop these key projects, nor can we refrain from admiring the pioneering spirit of the broad masses of people who economized on food and clothing and struggled arduously. Our present conditions are better than in those years in all respects. So long as we have a sober understanding of the necessity of concentrating finances and materials to ensure key construction projects, our economic construction will assuredly be able to continue to develop smoothly along a healthy path.

RENMIN RIBAO URGES CONTINUED STRUCTURAL REFORM

HK091104 Beijing RENMIN RIBAO in Chinese 9 Aug 83 p 1

[Commentator's article: "Seriously Carry on With the Restructuring of Government Institutions"]

[Text] Structural reform is an important political guarantee for the smooth implementation of the socialist modernizations.

In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping pointed out that in a long period to come, at least in the two decades up to the end of this century, we must diligently do four things, including the task of restructuring the administration and the economic system. Last year, under the guidance of this strategic idea, the central and state organs set about the tasks of the first phase of the structural reform, abolished or combined organs, reduced staffs, and streamlined and readjusted the leading bodies of the departments, committees, offices, and bureaus. Thus, there has been a great advance in making the cadres younger in average age and better educated, and an excellent organizational foundation for the construction cause and reforms in the future has been laid.

However, that structural reform was only a preliminary one carried out under the existing economic system. More and harder reform tasks are yet to come. As pointed out by Comrade Deng Xiaoping: "In the reform of the organizational structure, we have taken the first step and made a start." "Based on the demands of system reform, this includes having consummate rules and regulations, work methods, and leadership methods. This cannot be accomplished all at once." ("Speech at a Meeting of the Military Commission of the CPC Central Committee") Because of the lack of radical changes in the relationship between the departments and regions at different levels, the problem of the division of work between the governments and the enterprises remains unsolved. Consequently, it is inevitable that new contradictions will emerge after structural reform has been carried out. For example, at present, the leadership methods and work system adopted by the departments of the central and state organs basically remain unchanged. They continue to take on economic and other specific tasks. Consequently, the leading bodies, which have been greatly reduced in size, find it difficult to deal with so much work. In addition, the leading organs have been seriously hindered in performing the tasks of paying attention to important matters, of drawing up plans on a macroscopic scale, of bringing about an overall balance, formulating an overall strategy, and making overall decisions for an entire profession, and so on. We cannot resolve these contradictions by taking the road of retrogression. We must, according to the overall plans drawn up by the CPC Central Committee for structural reform, adhere to the principle of advancing in a planned and step-by-step manner, gradually resolve new contradictions, solve new problems, launch pilot projects, and popularize the experience gained in launching pilot projects.

Recently, the Secretariat of the CPC Central Committee clearly pointed out that first we should solve the problems which demand prompt solutions and can possibly be solved: It is necessary to further define the main tasks and responsibilities of all ministries and commissions. Efforts should be made through the investigation and study of key departments to make clear which powers should be centralized and which should be delegated to the lower levels. It is imperative to expand the powers of all ministries, for all ministries to expand the powers of all bureaus, and for all bureaus to expand the powers of enterprises. It is necessary to further define the division of the limits of duties incumbent on the party and government organizations and of the limits of duties incumbent on the various departments within an organization. It is necessary to improve work style and work method. It is necessary to raise working efficiency. It is necessary to increase gradually the ideological level of cadres and their ability to work.

It is necessary for the units which have conditions to carry out gradually the service work of organizations in a socialized and entrepreneurial way. And it is necessary to improve the management of cadres and the personnel system so as to alter the present irrational age and knowledge structures of cadres. It is essential to objectivize, in the spirit of the directives of the CPC Central Committee concerning comprehensive reforms, the problems which are of universal and urgent importance so that we can carry out our tasks down to the right place, find out a new path of reform, and open up a new phase of work in the specific departments.

This restructuring of government institutions is obviously different from the previous "streamlining movement." It is one of the important contents of the comprehensive reforms conducted after the party and the state have entered a new historical stage, and it is an extremely arduous and complex task. This restructuring is, instead of cutting down and merging organizations and increasing or reducing the number of personnel in a summary fashion, designed to reform our organizations with modern scientific management methods in accordance with the requirements of the comprehensive reform of the economic system. To fulfill this task, what counts lies in the leading bodies of all departments and, in particular, in the principal leading cadres of various departments. To do so, we should have a correct understanding of the task, a resolute determination, and a revolutionary spirit of courageously marching forward. We should, rather than shrinking from contradictions and difficulties, constantly explore and create new experiences and new rules and regulations amid contradictions and difficulties and constantly improve our style of thinking and leadership methods. We should not use the outmoded leadership methods in guiding the advanced phenomena and things; we should not observe and study new things with outmoded notions; and we should not approach a situation of great importance in the manner of handling the handicraft industry. In order to realize the strategic objective of China's economic construction, the leading comrade of the CPC Central Committee emphatically pointed out that an important task now confronting the leading cadres at various levels is to master modern scientific management so as to suit the urgent needs of China's socialist modernization program.

COMMENTATOR ON NEW LEADERSHIP GROUPS, WORK STYLE

HK091030 Beijing RENMIN RIBAO in Chinese 8 Aug 83 p 3

[Commentator's article: "New Leadership Groups Must Display a New Work Style"]

[Text] At present, the work of reforming government institutions is developing in depth. The leading bodies of many localities and units have been readjusted. After the new leading bodies have been organized and set up, they should pay great attention to their own ideological construction and work style, enhance their policy and ideological level, improve their style of leadership, and create a new situation in their own locality and unit.

The CPC Central Committee has clearly pointed out that the purpose of reforming government institutions is not merely to simplify a few government institutions or to readjust a few people in the leading bodies (this, of course, is also very important), but more importantly, to overcome bureaucracy, raise work efficiency, and correspond to the demands of the four modernizations. For this reason, it is necessary to raise the political and ideological level and also to carry out a reform in work style as well as work method. Otherwise, even though new people have been placed in the leading bodies, it will be difficult to have a major change in the work outlook. For example, after the readjustment of the leading bodies, some of the localities and units still have piles of documents and a great number of meetings, and the leading members still talk much but do little. They often make general calls for action but seldom carry out inspection and implementation. They dread shouldering responsibility and are lax and weak.

If this kind of condition is not changed, how can they talk about creating a new situation in work? Therefore, an extremely urgent problem placed before the new leading bodies at various levels is to pay close attention to their own ideological construction and work style and to arouse their revolutionary spirit so that they will shoulder the heavy work load with a new outlook.

To make a success of self-construction, the most important thing for the leading bodies to do is to conscientiously study the documents of the 12th CPC National Congress as well as the documents of the 1st Session of the 6th NPC, study the series of policies and principles of the Central Committee, and strive to enhance their own political and ideological level. At present, they must, in particular, properly study the "Selected Works of Deng Xiaoping." The "Selected Works of Deng Xiaoping" is a socialist construction program with distinct Chinese characteristics and the basis of the line, policies, and principles formulated by our party. Properly studying the "Selected Works of Deng Xiaoping" can deepen their understanding of the line, policies, and principles of the party since the 3d Plenary Session of the 11th CPC Central Committee, better maintain political unity with the Central Committee, and enhance the consciousness of implementing the spirit of the 12th CPC National Congress. Apart from this, they must go deep into reality for investigations and study. Many new leading bodies have made corresponding provisions and decisions in this connection, and notable results have been achieved in the course of implementation. Here, it is necessary to stress that the leading bodies must, in particular, guard against the bad habit of bureaucracy. Communists do not want to be officials; what they want is to work for the interests of the people. The work we do is not meant for anyone to see. What we want to do is to centralize the wisdom of the masses in accordance with the line, policies, and principles of the party, conscientiously solve the problems in our own locality and unit, and make new achievements in the building of material and spiritual civilization. A new leading body should establish a vigorous work style of seeking truth from facts, emancipate itself from routine, formality, and red-tape, take big strides, go deep into reality, conduct investigations and study, conscientiously listen to the views and demands of the masses, and suggest practical and effective measures and methods for solving problems and promoting work.

The new leading bodies at various levels have shouldered the heavy responsibility of leading the masses in carrying out the four modernizations. We must not be unworthy of the expectations as well as the great trust of the party and the people. We must conscientiously make a success of self-construction and use the new style of leadership to create a new situation in work.

RENMIN RIBAO STUDIES DENG ON STRUCTURAL REFORM

HK090911 Beijing RENMIN RIBAO in Chinese 5 Aug 83 p 5

[Article by Bai Dengcai: "Make a Success of Restructuring Government Institutions in the Revolutionary Spirit -- Studying 'Streamlining Government Institutions Is a Revolution'"]

[Text] At present, when the structural reform of our government institutions is being carried out, I am particularly inspired by studying Comrade Xiaoping's speech entitled "Streamlining Government Institutions Is a Revolution."

In his speech, Comrade Xiaoping put forward an important viewpoint -- "streamlining government institutions is a revolution." This is a correct thesis that he made on the basis of summing up our historical experience. When socialist transformation in our country was basically completed and all-round socialist construction had just begun, Comrade Mao Zedong pointed out that we should pay attention to the condition in which correspondence and contradiction simultaneously exist between the superstructure and the economic base. He said: "A certain bureaucratic style of work in our state organs, and defects in some of the links in our state institutions are in contradiction with the socialist economic base. We must continue to resolve all such contradictions in the light of our specific conditions."

For many years in the past we tried again and again to streamline and reorganize our administrative institutions, but the problem has never been properly solved for various reasons. During the 10 years of domestic turmoil, problems concerning party and government organs at all levels and the structure of the ranks of our cadres became even more serious and more intricate. In 1975, when taking charge of routine work of the central authorities, Comrade Xiaoping summarized the problems in this regard in five words, namely, "swelling, disorganized, arrogant, extravagant, and lazy," and explicitly set forth the task of reorganizing and consolidating leading bodies at all levels. Because of the sabotage of the "gang of four," he could not put his resolve into effect.

In the new historical period, when the party has shifted the focus of its work onto modernization construction, the party central leadership has promptly put forward the task of restructuring our leading organs. This is a wise strategic decision which ensures the implementation of the party's political line and ensures economic prosperity and lasting stability in our country. Modernization requires not only highly efficient administrative institutions, but also requires a large number of able people who uphold socialism and can master modern knowledge and skills. Obviously, the current state of our party and government leading organs at all levels, which is characterized by their overstaffed and unwieldy structure, the aging of cadres, and poor educational level and work efficiency, is absolutely unsuited to the requirements of modernization. With the development of our socialist construction, this contradiction will become more and more prominent and serious. If we fail to change this state of affairs through carrying out a structural reform so as to rapidly organize a contingent of cadres who are more revolutionary, younger in average age, better educated, and more professionally competent, the party's principles and policies will not be properly carried out and the modernization drive will make no headway. This is an actual problem that we must solve, because it is related to the overall situation and to the long-term interests of the party and the state. Solving this problem is a step made necessary by the general situation and is a common desire of the people. This task is a necessity of historical development. It is not only necessary but also very urgent. As Comrade Xiaoping said, if this problem is not promptly solved, "not only will the four modernizations become hopeless, but the fate of our party and state will also be in danger."

The current structural reform has its special characteristics which differentiate it from other movements to streamline administrative institutions in the past. As Comrade Xiaoping pointed out, the current reform is a revolution. That is to say, it will not rest just on reducing the number of organizations and merging some organs into others; instead, it will thoroughly overcome all major maladies in our cadre system, earnestly reform our leading structure, improve our style of work, get rid of bureaucracy, and enhance work efficiency. Similarly, instead of merely cutting down on the staff of organizations, this reform will promote a large number of new cadres who are more revolutionary, younger, better educated, and more professionally competent so as to make the ranks of cadres younger in average age and better in educational level, to smoothly realize the cooperation between new and old cadres and effect the succession of the old by the new, and to bring about a new outlook of the ranks of our cadres; instead of merely reforming the work of administrative organs, the structural reform will have to promote the economic institutional reform and reforms in other fields so as to help the people emancipate their minds, look forward to the future, and boost their morale so that they can devote themselves to building socialism with Chinese characteristics and to creating a new situation in all fields. All this is the essential purpose of this revolution -- the current structural reform.

Since the structural reform is a far-reaching revolution that has a bearing on the overall situation, we must go all out and overcome all difficulties to achieve its success. In his speech, Comrade Xiaoping said: "There are indeed some severe difficulties, but as long as we are resolved and act unswervingly, I do not think we will fail. Don't we always say that we must be confident of success? I think that we must have this confidence when dealing with this matter." His firm attitude and courageous manner have set a vivid example for us. The gigantic and unwieldy administrative structure was established by us, and we, for many years, have been accustomed to this multilevel management mode. Now we are personally required to change this structure in a resolute and thorough way. This new task will inevitably come into conflict with outmoded ideas, habits, and styles of work. At the same time, the streamlining and reorganization of organizations will inevitably cause changes in the work positions of thousands and thousands of people. This will also give rise to this or that problem to individual interests. Moreover, the influence of feudal and bourgeois ideology and residual factionalist ideas will all constitute obstructions and resistance to this reform. In face of these contradictions and obstructions, we must have an unswerving attitude, and must be resolved to reform all unsuited things. No matter how intricate and difficult the task is, we must never hesitate, never compromise, and never give up efforts halfway. Without this spirit, we will not be able to carry out the reform throughout to its success.

The role of old cadres is vital to the success of this structural reform. Practice shows that most of our old cadres can take a correct view of this structural reform, and that their positive role is a decisive guarantee for the smooth development of the whole process of the reform. Old cadres are the valuable wealth of the party. For a long time in the past, they have done a great deal of work for the party and the people, and they have proved themselves to be the backbone force of our cause. However, the life and energy of a person are limited, as also are his knowledge and experience, which can only play a certain role in a certain stage of revolution. With the passage of time, his energy will become more and more insufficient to undertake the heavy burdens of work. This is an irresistible law of nature. In order to ensure the continuity of the party's cause, a considerable number of comrades among these old cadres have to withdraw from leading posts, and a large group of outstanding young and middle-aged cadres will be promoted to leading posts at all levels. The succession of the old by the new must be conducted in an orderly and methodical way. As for the old cadres, it is natural that some problems will appear in their minds when they realize that they have to withdraw from leading posts. Therefore, they should acquire a correct understanding of this process of succession. They should actively recommend and promote outstanding people who are younger than themselves to take over their jobs. They not only should "help new cadres mount the horse, but should also accompany them for a certain distance" so as to fulfill their duties of helping and guiding the new cadres and passing on experience to them. This is a solemn political duty for old cadres, "the most glorious and sacred duty and the last historical contribution to the party" as Comrade Xiaoping put it, and is also a serious test of their loyalty to the party.

The key to this structural reform is to select and promote competent and qualified personnel. Comrade Xiaoping said: "Selecting and promoting competent and qualified personnel is also a revolution." The existing organizational system and the method of thinking in the minds of many cadres are unfavorable to selecting, promoting, and employing competent and qualified personnel urgently needed by our modernization program. In order to select and promote competent and qualified personnel, we must emancipate our minds, remove obstructions, overcome the long-standing influence of "leftist" ideology and the narrow prejudice of small production, and pay attention to selecting and promoting cadres from among the intellectuals (including people who have succeeded in acquiring learning by studying independently). Facts show that large quantities of outstanding people of learning who are able to lead socialist modernization exist among intellectuals.

Taking leading bodies after reorganization in our provincial administrative organs as an example -- because our vision was broadened, within several months, the work of selecting and promoting competent and qualified personnel has made major progress, and a large number of outstanding cadres in their prime who have received secondary and higher education and have professional knowledge have been promoted to key posts. Of course, these comrades are not "perfect and versatile people" and they also have this or that shortcoming. Their experience and prestige may not be sufficient for the time being, but only if they are allowed to work in leading posts for a few years, will they acquire experience and prestige. It does not matter how people comment on them. We should calmly analyze people's opinions in an all-round way and should readily accept good advice. So long as a cadre conforms to the four standards for selecting and promoting cadres and is supported by the masses, we should promote him without hesitation. This is not an issue concerning only some individuals but a matter which has a bearing on the future of our modernization program and the destiny of our state. Therefore, our determination must never waver in face of difficulties and must never hesitate to take action in selecting and promoting competent and qualified personnel.

The structural reform requires a great deal of organizational work. In the course of the structural reform, we must make great efforts in a revolutionary spirit to remove the objective factors which have caused the unwieldy structure, overlapping organizations, and bureaucratic practices. Comrade Xiaoping said: "Our principle is to tightly grasp work efficiency," and "each comrade in the administrative structure must actually do a person's work." He put forward a clear demand here to counter the problem prevailing in our government institutions at all levels. Socialist modernization requires our leading organs at all levels to share our responsibility in a reasonable and scientific way to enhance work efficiency and coordinate efforts. The establishment of various organs must meet the needs of modernization or must be favorable to centralized leadership, to the overcoming of bureaucracy, and to the improvement of work efficiency. Overlapping administrative organizations should be disbanded, with those dealing with similar business being merged, and other suitable ones being changed into economic organizations. Facts prove that exerting a strict standard on the streamlining of administrative organizations is not only necessary but also effective.

To be sure, when the structural reform is basically completed, we should continue to reform our style of work. Without reforming and improving the style of work, it is impossible to consolidate and develop this achievements of the structural reform. In this regard, a matter of importance is to fundamentally reform the existing cadre appointment system and work system. This is a necessity. Without having a proper system, it is impossible to have a correct style of thinking. Comrade Xiaoping said: "With a good system, evil people will have no way to do evil; and without a good system, upright people will not have sufficient room to do good or will even change into their opposite." That is to say, a system can exert a great influence on the style of cadres' thinking. If the maladies of the existing personnel system are not overcome in a resolute way, if a reasonable system for selecting, promoting, assessing, training, commending, punishing, and relegating cadres is not established, and if there are no perfect administrative regulations and an individual responsibility system, those serious problems which have appeared before will reappear in the future. We must have sober understanding of this point and must consider the way to consolidate the achievements of the current structural reform.

Under the leadership of the party central authorities, which have laid down correct principles and steady steps for the current structural reform, the work in general so far has been making smooth headway at the speed quicker than expected, and the results are also better than expected.

However, we must also notice that this reform has been carried when an overall reform of political and economic institutions has not been started, thus it is still something like an experimental reform. So, it is impossible to carry out this structural reform thoroughly and perfectly. After streamlining the organizations and reorganizing administrative personnel, we still need a process of improvement. Whether our organizations are streamlined in an appropriate way should be tested by the practice of the four modernizations. Whether newly promoted cadres are competent for their work should also be tested in practice and they should be subject to the masses' supervision. Along with the development of the situation, requirements for work efficiency of our administrative organizations will become even higher and stricter, and our cadres must be more revolutionary, younger in average age, better educated, and more professionally competent. If we think that the current structural reform can solve all problems once and for all so that we may relax our efforts, we may be again mired in a passive position. The socialist system must be continuously developed and improved in practice. As a superstructure which serves its economic base, it must continuously change so as to adapt itself to the development of productive forces. As far as we are concerned, the structural reform "is an old issue, but is always a new issue." ("Collected Works of Lenin" Vol 33, p 355) We need to continuously practice, study, and sum up experience. Our current structural reform is a brave practice of historical significance for improving the socialist superstructure. We must combine revolutionary spirit with a scientific attitude when dealing with this reform, and must have firm determination and a meticulous style of work. Then, the victory of this revolution will be without question.

WANG BINGQIAN ADDRESSES FINANCIAL CONFERENCE

OWO99310 Beijing XINHUA Domestic Service in Chinese 1153 GMT 8 Aug 83

[By RENMIN RIBAO reporter Jiang Xia and XINHUA reporter Chen Naijin]

[Text] Beijing, 8 Aug (XINHUA) -- At the national conference of financial department (bureau) directors which concluded today, Wang Bingqian, state councillor and minister of finance, called on all financial departments to join efforts with other relevant departments to increase revenues and reduce expenditures in a down-to-earth manner and to strike a basic balance between revenues and expenditures this year.

The conference opened on 24 July in Beijing. It emphasized discussion of the following three issues:

1. To strive for a basic balance between revenues and expenditures this year.
2. To put into practice various measures for concentrating funds for this year and next year, and to guarantee funds for the development of state key construction projects.
3. To conscientiously do a good job in helping state-run enterprises substitute the payment of taxes for the practice of turning in their profits.

Zhao Ziyang, Wan Li, Yao Yilin, Tian Jiyan and other leading comrade received a briefing on the conference.

Wang Bingqian pointed out: In 1982, after several years of efforts, we reversed the trend of consecutive decline in revenue income for 3 years and maintained a basic balance between revenues and expenditures. However, the rate of increase in expenditures during the first half of this year exceeded that of revenues. Therefore, to work hard for the realization of a basic balance between revenues and expenditures continues to be an arduous task. All financial and tax departments must forge ahead despite difficulties, do a good job in increasing revenues and reducing expenditures, and work hard to rapidly achieve good results in this respect.

In order to ensure a basic balance between revenues and expenditures this year, the conference decided to adopt the following measures:

1. All financial departments must help enterprises raise their economic results, lower their production costs, and reduce deficits. Strict requirements must be placed on the various enterprises. They must be given inspiration as well as pressured. In all enterprises that fail to fulfill their targets in lowering production costs and handing in profits due to their poor work efficiency, the portion of profits they can retain for their own use must be duly reduced. Those enterprises that have suffered serious losses and accumulated larger deficits than allowed by the original plan due to poor management must turn their losses into profits within a prescribed period. Those that fail to achieve this by the deadline must be closed down, suspended, integrated with other enterprises or changed to turn out other products. At the same time they should stop issuing bonuses or reduce the amount of bonuses issued.

It is necessary to readjust the amount of subsidies issued to commercial and foreign trade units to make up for their deficits and the prices of grain and cotton purchased in excess of quotas, and to strengthen the work of checking these subsidies.

2. The work of levying and assessing taxes must be strengthened. All financial and tax departments must carry out the work of checking taxes in a planned manner and in close connection with the actual situation in the respective localities and stop the trend of evading or delaying tax payments. If taxes are exempted according to regulation but the period of such exemption has expired, it is necessary to resume levying such taxes on time. It is also essential to strengthen the work of levying taxes from collective enterprises and individual undertakings, and do a good job in collecting miscellaneous taxes.

3. Efforts must be made to strictly control appropriations for capital construction projects, loans for developing capital construction, and technical measures. There should be no exceptions. Financial departments must stop appropriating funds and banks must stop granting loans for those capital construction projects that are developed without proper authorization and in violation of regulations.

4. It is imperative to strictly enforce discipline in the field of finance and economy, and to rigidly control and vigorously reduce all expenditures. Efforts must be made to place extrabudgetary funds under strict control. All administrative departments, undertakings, and enterprises must carry out their work industriously and thriftily and work hard to practice economy and reduce expenditures. At the same time they must coordinate with the relevant departments to resolutely combat the unhealthy practices of arbitrarily increasing prices and indiscriminately collecting fees from construction units.

On the issue of concentrating funds, Wang Bingqian pointed out: The economic situation in rural and urban areas has been fine over the past few years since the various localities and enterprises were given greater authority to make their own decisions and to use their funds flexibly. Conditions exist allowing us to concentrate funds to a moderate degree. Without concentrating funds, it will be difficult to ensure the development of key construction projects. In dealing with this issue, we must not take a wait-and-see attitude. We must try our very best to ensure the fulfillment of our task of concentrating funds.

HUBEI COURT OPENS TRIAL OF WOULD-BE HIJACKERS

HK060357 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Aug 83

[Text] This morning the Wuhan Intermediate People's Court opened the trial of the case of counterrevolution involving (Peng Zewei), (Xu Limin), and (Xu Zhiping). The accused (Peng Zewei), having listened to many broadcasts from enemy radio stations since 1980, stole guns for hijacking aircraft and ships in order to flee abroad. In summer 1980 he went to Wangjiadun airport, Hankou, disguised as an ex-serviceman, wishing to board the plane in preparation for a hijack attempt. However his plot failed, as he had not bought a plane ticket.

Around the Spring Festival of 1983, he and (Xu Limin) and (Xu Zhiping) formed a counter-revolutionary clique. On 12 March, they traveled by ship from Wuhan to Qingdao via Shanghai, preparing to hijack the ship and flee abroad during the return trip to Shanghai. However the plot did not succeed due to arguments among the gang members, and they were seized and charged by the public security organs.

GUIDE FOR STUDY OF DENG'S WORKS TO BE PUBLISHED

OW090036 Beijing Domestic Service in Mandarin 1200 GMT 6 Aug 83

[Text] "A Guide to the Study of the 'Selected Works of Deng Xiaoping'" will be published by the Xinhua Publishing House and circulated by the Beijing circulation office of the Xinhua Bookstore.

Authored by Comrade (Wang Zhi) and others of the CPC Central Committee Party School, this book quite comprehensively introduces the essence and major topics of the "Selected Works of Deng Xiaoping" in very plain language.

PROGRESS REPORTED IN REMOTE SENSING TECHNOLOGY

OW071303 Beijing XINHUA in English 1200 GMT 7 Aug 83

[Text] Beijing, August 7 (XINHUA) -- China is making fast progress in applying remote sensing technology to its study of natural resources in developing national economy, according to the China National Remote Sensing Center. Experimental stages began in the mid-1970s. Now the Chinese scientists are producing airborne remote sensors, some of which are close to the standard of similar products made abroad. The country now produces its own color composites, density slicers and spectrum radiometers, which are widely used and were once dependent on import, an official of the center said.

The Ministries of Electronics Industry and Education have combined efforts to successfully turn out the main parts of the equipment for digital image analysis system, which is of importance to the satellite remotely sensed image data analysis, the official said.

Research in airborne large format multi-spectral camera has brought innovation to aerial photography, which is now able to provide photo data simultaneously for finding the resources and mapping out the charts.

Development of Landsat imagery has enabled the more than 100 specialists from agricultural and forestry research institutes to work smoothly in drawing up China's first detailed map on land utilization necessary for national planning of agricultural development.

Remote sensing technology has also been applied in locating the site of the huge Ertan hydraulic power station over the Yalong River in Sichuan Province.

Listed among China's major scientific research projects for 1981-1985, the remote sensing technology envisages a great development, the official said. This includes the completion of the first generation of China-made airborne remote sensors and the digital image analysis system, applying the technology to city planning, location of construction projects, and national study of land, pastures, forests, coastal and tidal belts and coal resources.

CHINA ISOTOPES CORPORATION BEGINS OPERATING

OW080315 Beijing XINHUA in English 0248 GMT 8 Aug 83

[Text] Beijing, August 8 (XINHUA) -- China Isotopes Corporation, established by the Ministry of Nuclear Industry, has officially started business, the ECONOMIC DAILY reports today. The corporation is responsible for coordinating development, production, supply, and popularization of isotopes in China and arranging technical exchange and cooperation at home and abroad.

While mainly engaging in the development and experiment of nuclear weapons, the Ministry of Nuclear Industry is now turning part of its effort to production of isotopes. It has prepared more than 500 varieties of isotopes for civilian purposes.

These isotopes are being applied to agriculture, food preservation, and the synthetic chemical materials, pharmaceutical, textile, paper making, and printing industries.

XINWEN ZHANXIAN CALLS FOR JOURNALISM TRAINING

HK080502 Beijing XINWEN ZHANXIAN in Chinese No 7, 1983 p 4

[Report by Jia Peixin: "National Forum on Journalist Education Calls for Training Large Groups of Journalism Cadres"]

[Text] The national forum on journalism education held in Beijing called for accelerating the development of journalism education and training large groups of qualified journalist cadres to create a new situation in all fields of endeavors.

As this was the first national forum on journalism education ever held since the founding of the PRC, it was jointly sponsored by the Propaganda Department of the CPC Central Committee and the Ministry of Education. It started on 25 May and ended on 1 June.

Attending the forum were leading cadres, teachers, and journalists of the educational institutions and journalism units throughout the country, and veteran jouranalists and educational workers.

Deng Liqun, secretary of the Secretariat of the CPC Central Committee and director of the Propaganda Department of the CPC Central Committee, made a speech on how to develop China's journalism education.

The deputies had a lively discussion on the question of how China's journalism education should be developed and reformed, and they contributed amendments and additional proposals to the "Development Plan for the National Journalist Education (draft)" and to the "Suggestions on the Reform of Journalism Education."

The participating deputies unanimously agreed: Since the founding of the PRC, great achievements have been made in our journalism education and the universities and colleges concerned have trained more than 5,000 graduates majoring in journalism. At present, China has 16 journalism educational centers, 364 teachers, a total enrollment of 1,482 students, and a body of 103 research students and 220 graduate students.

However, this state of journalism education lags far behind requirements of China's journalism undertaking. On the basis of investigations and study, the forum formulated a plan for the acceleration of the development of national journalism education, demanding that all major regions have at least one department of journalism in their institutions of higher learning and that immediate efforts be made to set up a journalism department in the southwest, northeast, and central China regions. The number of journalism educational centers should be increased from 16 at present to approximately 30 before 1990. China's first journalism college should be initially completed next year. The forum pointed out that we should attach importance to and strengthen the training of journalism cadres among national minorities and that the Central College of the Nationalities should run a journalism class for the national minorities and the Xinjiang University should set up a degree program in journalism. All schools with a degree program in journalism must pay attention to giving priority to recruiting national minority students. In years to come, some universities should set up additional degree programs in international journalism, photojournalism, journalism management, broadcasting and television and advertising. Some colleges will recruit research students and students for a double academic degree. Journalism education must adhere to the policy of walking on two legs and mobilize the enthusiasm of all sides concerned. Institutions of higher education must run special training courses or classes for advanced studies in journalism and enthusiastically undertake the task of training cadres at their posts. The forum proposed that the central and local party schools run classes in journalism; that efforts be made to energetically carry out correspondence education; that the broadcasting and television departments in particular give full play to the role of sound and video recording facilities in correspondence education; that all journalism units be encouraged to run their own classes; that all localities take various forms to energetically train journalism cadres; and that efforts be made to run the centralized examination for those who independently study journalism and to set up as soon as possible a degree program in journalism in every television university.

The forum emphatically studied the question of ensuring quality in developing journalism education. All deputies agreed that in order to train an adequate number of high-quality talented people, journalism education must conduct reforms in various fields of endeavors; must reform the enrollment and distribution systems and pay attention to implementing the principle of integrating theory with practice; that the colleges with a department of journalism which have the proper conditions should have their own practice newspapers, radio stations, and television stations, and compile as quickly as possible a set of journalism teaching materials with features unique to China; that efforts should be stepped up in the training of teachers, to correctly handle the relationship between teaching, journalistic practice, and scientific research, and to alter the situation in which journalism teaching is separate from practical journalistic work; and that journalism educational units must be closely related with journalist units.

GUIZHOU HOLDS CONFERENCE ON MAKING UP DEFICITS

HK040254 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 2 Aug 83

[Excerpts] According to GUIZHOU RIBAO, at a provincial conference on making up deficits in industrial enterprises, held from 26 July to 1 August, the situation of 82 key enterprises and 25 city and county enterprises was put under special study. Plans to make up deficits have been worked out and measures for making up deficits have been implemented.

These 82 key enterprises account for 23.9 percent of the total number of state-owned enterprises having deficits in the whole province, and the sum of deficits of each of them exceeded 100,000 yuan last year, accounting for 85 percent of the total sum of deficits of the whole province.

At the conference, relevant documents issued by the central authorities, and important speeches by leading comrades at the central level were relayed. Vice Governor Zhou Yansong attended the conference and made a speech.

Starting from the requirement of making up deficits and increasing surpluses, the conference made some concrete requirements on the restructuring of enterprises, readjustment of leading bodies, perfecting the system of contracted responsibilities, strengthening enterprises' competitiveness, readjusting the orientation of products, strengthening technological transformation, organizing production based on coordination between specialized departments, and unfolding a campaign to increase production and practice economy.

GUIZHOU RIBAO carries an editorial today on its front page entitled "There Is a Guilty Conscience in Having Deficits, But It Is Glorious To Make Up Deficits." The editorial stresses that to make up deficits, it is necessary to grasp large and key enterprises, and to spend tremendous efforts in helping the 82 deficit enterprises to solve their problems.

GUIZHOU COMMITTEE MOVES AGAINST ECONOMIC CRIMES

HK080721 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 6 Aug 83

[Text] On the morning of 5 Aug, (Zhou Qingzhong), deputy secretary of the Guizhou CPC Provincial Discipline Inspection Committee, on behalf of the provincial Discipline Inspection Committee, made a report on striking at serious criminal activities in the economic field at a forum attended by members of the Standing Committee of the provincial People's Congress.

He said: "In the past year and more, we have achieved prominent results in the struggle of cracking down on serious criminal activities in the economic field. Up to June this year, in our province, more than 4,500 economic criminal cases have been investigated and dealt with in accordance with the party discipline and state laws. Of these cases, 169 persons were guilty of seeking after illicit personal gains, corruption, or bribery amounting to over 10,000 yuan; 1,709 party members were involved in these cases; 3,165 cases were concluded, accounting for 69.9 percent of the total; 713 persons were punished by party discipline, with 267 persons being expelled from the party; 1,138 persons were given political disciplinary measures; 585 persons were sentenced to jail terms; and a total of over 11.52 million yuan worth of illicit money or goods were recovered. Under the influence of the party's policy, a total of 532 persons in the province surrendered themselves to the authorities, confessed their crimes, and returned more than 430,000 yuan of illicit money."

(Zhou Qingzhong) pointed out that although prominent results have been achieved, the development of the work is not in equilibrium. Some leaders in certain places and departments do not have sufficient understanding of the significance of the present struggle, and have not dealt heavy blows at the serious criminal activities in the economic field. Some places and units have not put enough manpower or effort into the work, and some have even reduced their working personnel in this connection. In order to carry on this struggle continuously and intensively, in accordance with the spirit of the directives of the central authorities and the central Discipline Inspection Commission, and in association with the concrete conditions of our province, we put forward the following requirements with respect to this work:

1. The CPC Committees and Discipline Inspection Committees at various levels must seriously organize the party members and cadres at various levels to study the report by the central Discipline Inspection Committee on striking at serious criminal activities in the economic field, realize the significance of the struggle in promoting economic construction and facilitating the radical improvement of the party style, overcome the mentality of relaxation and being afraid of difficulties, strengthen their resolve and leadership, and further guide the struggle into a more intensive stage.
2. Efforts should be concentrated to firmly grasp the investigation and solution of serious and big cases, so that all these cases can be dealt with and concluded by the end of November.
3. The process of handling cases should be expedited, and the rate of winding up cases should be enhanced.
4. The policy should be correctly adhered to, and the quality of dealing with cases should be enhanced. With respect to the handling of economic cases, clear distinction should be made between the two kinds of contradictions. As for economic problems in the countryside, they should be dealt with in accordance with the spirit of the relevant documents issued by the central authorities. Careful consideration should be given to enterprises run by communes and brigades.
5. The work of striking at economic crimes should be combined with the work on rectification of party style, and anticorruption education of cadres, staff, and workers, and the further perfection of regulations and systems.

The forum was presided over by vice directors of the standing committee of the provincial People's Congress, Wu Su and Ye Gulin. All present approved of the report on striking at serious criminal activities in the economic field, demanding that various places should carry on the struggle resolutely and intensively. Vice directors of the Standing Committee Luo Dengyi, Ceng Xianhui, Ren Ying, Wu Tongming, Wang Bingyun, Wang Zhenjiang, and Liang Wangui, vice chairmen of the CPPCC (Chang Cengwen, Mao Sechao, Sun Yirong, and Pang Chiulun), and some members of the provincial People's Congress and CPPCC attended the meeting. Leading cadres of other departments such as the provincial People's High Court, People's Procuratorate, government administrative office, Public Security Department, Judicial Department, and Tax Bureau, also attended the forum.

SICHUAN ADOPTS MEASURES TO CONSERVE ENERGY

HK090651 Chengdu SICHUAN RIBAO in Chinese 23 Jul 83 p 1

[Report: "Province Strengthens Energy Management and Reduces Energy Consumption"]

[Text] The industrial and communications departments of our province have strengthened energy management, thus cutting down energy consumption and increasing production.

From January to May this year, the output value of industry in the whole province increased by 11.4 percent over the same period of last year. The various kinds of energy consumed in the output value of every 100 million yuan was reduced by approximately 3.3 percent. The energy consumption quotas of coal, natural gas, crude oil, electricity, and so on all dropped by a big margin.

One of the main targets of enterprise consolidation in our province is to cut down energy consumption. At the beginning of this year, the concerned departments of the province organized teams to conduct a general survey on the energy consumption of all trades, professions, and factories for the purpose of paying attention to both exploitation and practicing economy, with stress on the latter. A series of policies for economizing energy resources was formulated, including the contracted responsibility system and retention of the saved materials, estimating and checking of energy consumption, and meting out rewards and punishments accordingly, to encourage and help the enterprises develop new energy saving technology and carry out comprehensive utilization. The responsible departments at various levels have gone down to the factories, mines, and enterprises to implement the energy saving measures one by one in every unit according to different circumstances, and to help the basic levels solve practical problems.

In the work to save energy resources, all the localities have attached importance to focal points and have controlled the quotas of the industries, such as metallurgy, machinery, chemical industry, salt refinery and so on, which consumed a lot of energy resources. After carrying out regular examination on the energy consumption of these industries, the results were made public. Salt refinery is an industry that consumes large amounts of natural gas and coal. After assessing its energy consumption and implementing the system of supplying energy resources to those plants that practice economy, all the salt refineries spared no efforts in expanding the means of vacuum processing. As a result, the energy consumed from January to May 1983 dropped by 6.4 percent compared with the corresponding period of the previous year, whereas output increased by 4.1 percent. The 25 small nitrogenous fertilizer plants throughout the province, which needed the raw materials such as coal and coke, underwent a reform last year. On this basis, another nine plants will be consolidated and reformed this year with reform centered on saving energy.

While transforming their technical equipment, the enterprises at various localities that consumed a lot of energy resources, also paid attention to comprehensive utilization. The energy saved every year from the installation of surplus heat generators and surplus heat steam boilers and by the reuse of combustible gas is equivalent to 1 million tons of coal. Of this, the installed capacity of the 43 surplus heat and heat-and-power generating installations amounted to 67,000 kilowatts, which can annually generate 350 million kilowatt-hours of power.

The concerned departments of the provincial authorities have also adopted the integrated methods of administrative interference and economic means in relation to the enterprises and institutions, demanding that they install kilowatt-hour meters within a definite period so that they can be charged according to the amount consumed. Those that have not installed the meters within the prescribed time will be investigated and affixed responsibility for the case and be fined 100 percent of the charges. Now, more than 95 percent of the units in the whole province have installed kilowatt-hour meters and gas meters, and 75 percent of the units have installed water meters. Since May, the whole province has saved more than 30 million kilowatt-hours of electricity, 31 million cubic meters of gas, and approximately 10 million tons of water. Compared with the period before the installation of meters, around 50 percent of electricity, water, and gas has been saved.

At present, Sichuan is making overall planning and doing preparatory work for some important energy saving measures, such as simultaneously supplying heat and power, supplying heat to combined areas, utilization of gas from coal mines, use of low quality coal and so on. Meanwhile, the province has established a technical service center, which is now training energy saving management cadres by teaching them techniques on energy saving and organizing energy saving drives so as to promote the work in this respect in depth.

GANSU ENDS FIRST STAGE OF STRUCTURAL REFORMS

HK080329 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 7 Aug 83

[Excerpts] According to GANSU RIBAO, the first stage of structural reform of the provincial-level party and government organs has been basically completed after several months of work. The work has been carried out in accordance with the demands of the central authorities and the arrangements made by the provincial CPC Committee. New leadership groups have been assigned to the great majority of units. Focus is now shifting to internal structural reforms.

Gansu originally had 82 [as heard] provincial-level work departments. The structure contained duplications and overlapping, thus failing to meet the needs of the new situation. The leadership group for structural reform held many forums and investigation meetings to listen to the masses' views. After discussion by the provincial CPC Committee and government, a scheme for the structural reform of the provincial organs was drawn up and submitted to the Central Committee and State Council for approval and implementation. Following the reform, there are 44 work departments of the provincial committee and government. Of the original departments, 13 have been abolished or amalgamated, 6 are functioning as joint units, 6 have been changed to (?county-level), and 6 have been changed to economic entities. The net reduction is 29 units, accounting for 40 percent of the original units [as heard]. There has also been a big reduction in the personnel establishment.

Following the progress of structural reform, after last March the provincial CPC Committee spent time and energy on grasping the work of readjusting and assigning leadership groups to the provincial departments. By now, leadership groups of 41 units have been readjusted and assigned. There are notable changes in the leadership groups compared with previously

1. The groups are small but highly trained. The number of heads and deputy heads of the leadership groups assigned to 41 provincial departments is 155, a reduction of 30.2 percent compared with the previous 220.

2. The average age has dropped. The average age of these 41 leadership groups is 51.1, a decline of 5.8 compared with previously. The average age of the number one men in the party and government departments has dropped from the previous 60.8 to 53.8. Six of them are under 50. The new leadership groups are thus basically composed of comrades in the prime of life. This situation helps the smooth progress of cooperation between new and old cadres and replacement of old by new for a relatively long time.

3. Their cultural and professional standards are higher. Of the 155 leading members of these 41 leadership groups, 71 -- 45.8 percent -- have university or college education, a rise of 27.3 percent compared with previously. The percentage of specialized technical cadres has risen from 20.3 to 49.

In the course of carrying out structural reform and readjusting and assigning the leadership groups, large numbers of cadres have actively worked to pass on their experiences, help and lead forward the middle-aged and young cadres, and support them in shouldering heavy burdens, thus making new contributions to the party and people.

The provincial CPC Committee, which originally had 10 work departments, now has 8. These are: the general office; the organization, propaganda, united front, and rural work departments; the political and legal committee; the policy research office; and the veteran cadre work bureau.

The provincial government, which originally had 62 work departments, now has 36. These are: the general office; the planning, economics, science and technology, sports and physical culture, family planning, and nationalities affairs committees; the departments of urban and rural construction and environmental protection, machine-building industry, light industry, communications, agriculture and animal husbandry, forestry, water conservation, and finance; the food bureau; the departments of commerce, external economic relations and trade, education, public health, culture, broadcasting and television, civil affairs, public security, judicial work, metallurgical industry, and petrochemical industry; the bureaus of building material industry, industry and commerce administration, personnel, labor, statistics, material supply, and auditing; and the offices of national defense science and technology industry, and foreign affairs.

QINGHAI REACTS TO HU YAOBANG 'IMPORTANT' SPEECH

Enlarged Standing Committee Meeting

HK060253 Xining Qinghai Provincial Service in Mandarin 1100 GMT 5 Aug 83

[Text] The Qinghai Provincial CPC Committee held an enlarged Standing Committee meeting on 2 August to convey, study, and discuss comrade Hu Yaobang's important speech and his instructions issued during his inspection of Qinghai. Present at the meeting were responsible comrades of the provincial CPC Committee, advisory committee, People's Congress Standing Committee, government, Military District, and CPPCC, and of departments and committees of the provincial CPC Committee. They unanimously held: That Comrade Hu Yaobang spent so long in our province, went to so many places in the grassroots, and chatted extensively with so many cadres and masses shows the very great concern and support of the CPC Central Committee for work in Qinghai.

The comrades said: Comrade Hu Yaobang fully affirmed the work and changes in Qinghai over the past many years, and especially since the 3d Plenary Session of the 11th Central Committee. This is tremendous encouragement for the cadres and masses in Qinghai and gives us still greater confidence in making a success of building the province. The important speech and instructions issued by Comrade Hu Yaobang during his inspection of the province are of extremely great significance for the province's long-term construction as well as for current work.

Provincial CPC Committee Secretary Zhao Haifeng said: When studying and implementing Comrade Hu Yaobang's speech, we must seriously appreciate its spirit, get a clear idea of its guiding ideology, study ways of implementing it, do a good job in our work, and make full preparations for large-scale state development of Qinghai.

The meeting also made arrangements for implementing Comrade Hu Yaobang's important speech. It was decided to hold special meetings to organize responsible cadres at and above county-level to study it. This is a specific measure for studying and implementing it. It is also necessary to use propaganda media such as the press and radio to convey Comrade Hu Yaobang's important speech and instructions as quickly as possible to the masses of all nationalities in the province. We should regard Comrade Hu Yaobang's inspection of the province as a powerful motive force stimulating the province's four modernizations drive, do a good job in all work, and be sure not to disappoint the Central Committee's concern for work in Qinghai.

CPC Circular

HK060222 Xining Qinghai Provincial Service in Mandarin 1100 GMT 5 Aug 83

[Text] After the important speech delivered by CPC Central Committee General Secretary Hu Yaobang during his inspection of Qinghai was published yesterday, the Qinghai Provincial CPC Committee issued a circular on seriously studying and implementing the important speech made by Comrade Hu Yaobang.

The circular said: CPC Central Committee General Secretary Comrade Hu Yaobang inspected Qinghai from 23 to 31 July, and issued many important instructions on all aspects of work in the province. On the morning of 31 July, before departing from Xining, Comrade Hu Yaobang made an important speech entitled: "Be Determined as the Foolish Old Man Who Moved the Mountains To Develop Qinghai Province." The speech was made at a meeting of leading comrades of the party, government, and Army in the province. Comrade Hu Yaobang's extremely incisive and moving speech and his important instructions on work in Qinghai represent the important ideology guiding our current and future work and the development and building of Qinghai. They are a tremendous encouragement for the people of all nationalities in the province and show the CPC Central Committee's tremendous concern for them. They have pointed out the orientation for us in developing and building Qinghai, and given us more confidence and strength.

The provincial CPC Committee demands that the party organizations at all levels immediately take action to lead the CPC and CYL members, cadres, and the masses to seriously study and implement Comrade Hu Yaobang's important instructions and truly translate them into action, so as to ensure that all work in our province will continually forge ahead along the correct path.

The circular demanded that the cadres at all levels, CPC and CYL members, and the whole body of staff and workers seriously study Comrade Hu Yaobang's important speech delivered during his inspection of Qinghai and seriously appreciate its spirit. It is necessary to closely integrate study of Comrade Hu Yaobang's speech with study of the 12th party congress spirit, the "Selected Works Deng Xiaoping," and the spirit of the 1st Session of the 6th NPC. It is necessary to make practical plans and arrangements for this study. We must bring into play the fine study style of linking theory with reality, carry out assiduous and conscientious study, grasp the spiritual essence of Comrade Hu Yaobang's speech and apply it to arm our thinking and guide our work.

The party organizations at all levels, the propaganda departments, and the media must make use of all occasions and propaganda means and forms to publicize among the cadres and masses the spirit of Comrade Hu Yaobang's speech, so that everyone will know and understand it, and the CPC and CYL members and the people of all nationalities in the province will be determined as the foolish old man who moved the mountain to develop Qinghai Province and strive to create a new situation in Qinghai with firm resolve, ample enthusiasm, and soring fighting spirit.

The circular pointed out: The study of Comrade Hu Yaobang's speech made during his inspection of Qinghai must be closely linked to the reality of all areas, departments, and units, which must check on their own guiding ideology and leadership over work in light of the speech. Thus we should appropriately solve problems of shortcomings and weakness that do not meet the demands of the new situation. Through study, we should get a clear idea of Qinghai's important strategic position in the motherland's four modernizations drive and of what we should currently do in order to carry out large-scale development of the province. We must apply Comrade Hu Yaobang's speech to guide and improve our current work, and formulate or revise our future development plans, so that our economic construction and all other work will truly center on creating conditions for the large-scale development of Qinghai.

We should base our efforts on the present, look ahead, and do a thoroughly sound job of all our current work, to create conditions for the large-scale development of Qinghai, improve our work every year, and create a new situation in economic construction and all work in the province.

The circular demanded that leading cadres of all levels take the lead in studying Comrade Hu Yaobang's speech and in applying its spirit to examine themselves, and work to improve their ideological and work style. It is necessary to step up ideological self-cultivation and firmly establish the heroic ambition to take root and blossom in Qinghai and go all-out to make the country strong. We must vigorously go deep into reality, grasp the situation, and promptly discover and solve problems. We must bring into play the dedicated spirit of self-reliance, constantly striving to become stronger, and fearing no [word indistinct]. We must bring into play the pioneering spirit of being bold in creating new things and forging ahead. We must vigorously advocate study and mastery of modern scientific and cultural knowledge, so that our work will be more successful and our level of ideology and of modern science and culture higher every year.

The circular said in conclusion: Qinghai's future is bright. It has excellent prospects for development. We must unite still more closely around the CPC Central Committee and, under its correct leadership, resolutely implement the line, principles, and policies set by the 12th party congress and the spirit of Comrade Hu Yaobang's instructions. With unremitting hard work, we will certainly be able to score still greater success and develop Qinghai into a modern advanced area.

Cadres, Masses Encouraged

HK060323 Xining Qinghai Provincial Service in Mandarin 1100 GMT 5 Aug 83

[Text] According to QINGHAI RIBAO, after Comrade Hu Yaobang's important speech delivered during his inspection of Qinghai, on being determined as the foolish old man who moved mountains to develop Qinghai Province, was openly published in the press yesterday, the cadres and masses of all nationalities in the province have been greatly encouraged. The cadres, staff, and workers said: We will respond to Comrade Hu Yaobang's speech, be determined as the foolish old man who moved mountains to develop a new Qinghai, and actively create conditions for shifting the focus of national construction to the great northwest by the end of this century and the beginning of the next.

During his visit to Hainan Tibetan Autonomous Prefecture, Comrade Hu Yaobang delivered important instruction on work there. The prefectural CPC Committee recently convened an enlarged Standing Committee meeting to seriously study the spirit of Comrade Hu Yaobang's instructions. The committee resolved to lead the 300,000 people in the autonomous prefecture to get a good grasp of five major affairs: 1) Strengthen the unity of nationalities; 2) promote economic construction and strive to raise average incomes of peasants and herdsmen to 250 yuan in 2 years; 3) promote nationality education; the prefecture and the counties must organize work groups to investigate and study nationality education and produce specific views on reforming the structure of education and on the education situation and methods in pastoral areas; 4) get a good grasp of structural reform in the prefecture, counties, and communes; 5) do a good job in assigning leadership groups.

Comrade Hu Yaobang's important speech has broadened people's minds and pointed out the orientation of economic work in the province.

Provincial Economic Committee Chairman (Yang Shengjie) said: We must on the one hand follow the orientation pointed out by Comrade Hu Yaobang, base our efforts on the present, look ahead to the long term, carry out all-round plans with focus on key points, make proper arrangements for agriculture, animal husbandry, the light and textile industries, energy, communications, and development of brain power, and truly use our financial and material strength where it is most needed; and on the other, we must make every effort to actively support the key state projects designated to be built in Qinghai.

Comrade Hu Yaobang's important speech has greatly encouraged and stimulated the peasants battling on the province's agricultural front. Haidong Prefectural CPC Committee Secretary (Wang Xiwen) said: There are an average of 13 mu per person in Haidong. About 10 mu of this consist of barren mountains and slopes. We must apply party policies to stimulate the peasants' enthusiasm, work hard to transform the barren mountains and slopes, bring about all-round development of agriculture, forestry, and animal husbandry, and achieve a benign cycle in agricultural production. We are preparing to build seven commodity production bases for broad beans, applies, rapeseed, garlic, red peppers, livestock, and milch cow breeding. We will promote various undertakings to achieve a big development in production and let the peasants get rich as quickly as possible.

Comrade Hu Yaobang's important speech has greatly encouraged the cadres, staff, and workers in the province's commercial, food, and supply and marketing systems. The party group of the provincial commerce department held an enlarged meeting on 4 August to seriously study and appreciate the basic spirit of Comrade Hu Yaobang's speech and resolve to promote commercial services, to create conditions and act as a logistics department for the large-scale development of Qinghai.

(Zhazi Gongzong), deputy director of the provincial Education Department, said: We must seriously study the spirit of Comrade Hu Yaobang's speech and promote nationality education in light of the province's characteristics, to train more talent for the four modernizations drive.

The 30 university and college graduates assigned this year by the state to the Qinghai aluminum plant were greatly excited by studying Comrade Hu Yaobang's important speech. They said: Comrade Hu Yaobang's great call to young people who are willing to do pioneering work to come to Qinghai to take part in its development gives us more spirit and strength to overcome difficulties, work hard, and develop Qinghai Province. Young intellectual (Li Xiaohong) said: I am resolved to settle down in Qinghai and take root and blossom here, contributing all my strength to developing the province.

Haixi Autonomous Prefecture

HK080243 Xining Qinghai Provincial Service in Mandarin 1100 GMT 7 Aug 83

[Text] The Haixi Autonomous Prefectural CPC Committee held meetings of responsible comrades of its Standing Committee and of the People's Congress Standing Committee, government, and CPPCC on 29 July and 5 August to seriously study the important instructions of CPC Central Committee General Secretary Hu Yaobang on work in the autonomous prefecture, delivered during this visit to Chaidam, and propose measures for implementing them.

During study and discussion, responsible comrades of the autonomous prefectural party and government held: Comrade Hu Yaobang's inspection visit to Haixi expresses the tremendous concern and earnest hopes of the CPC Central Committee regarding the people of all nationalities in Haixi. The important speech made by Comrade Hu Yaobang during his inspection visit to Haixi represents the strategic guiding ideology for developing and building Chaidam. We must act in accordance with Comrade Hu Yaobang's instructions, take root in Chaidam and go all-out in our work.

The responsible comrades of the party and government in the autonomous prefecture unanimously held: Comrade Hu Yaobang instructed that Haixi should get a good grasp of agricultural and animal husbandry production, energy development, and the building materials, non-ferrous metals, and salt chemical industries. These five tasks completely accord with the actual conditions in Haixi.

They also held: We must promote great unity in developing Chaidam. It is extremely important to promote unity in Haixi, a multinationality autonomous prefecture. We must do a good job in handling relations between the nationalities, and between party and masses, farms and communes, and Army and people, so as to mobilize the initiative of all sectors. We must teach the cadres, staff, and workers who have come from the interior of China to live at Chaidam with minds at ease and contribute to its development.

Prefectural CPC Committee Secretary (Qin Zhenlou) said: Haixi must work hard to improve economic results and develop commodity production in developing agricultural and animal husbandry production. In developing energy, we should focus on utilizing wind and solar energy. In developing the building materials industry, we must promote production of cement and bricks and grasp cement plant construction as a key point. We must exert every effort to support key state construction work.

Provincial Cadres Rally

HK090133 Xining Qinghai Provincial Service in Mandarin 1100 GMT 8 Aug 83

[Text] The Qinghai Provincial CPC Committee held a rally of provincial organ cadres in the Xining gymnasium this afternoon to convey the important speech of CPC Central Committee General Secretary Hu Yaobang delivered during his inspection visit to Qinghai. The participants included all comrades attending the provincial CPC Committee work conference; cadres of the provincial organs, institutes of higher education, and enterprises and undertakings in the Xining area; responsible comrades of the Qinghai Military District and PLA units stationed in the province; cadres of Xining City organs, factories, mines, enterprises, undertakings, schools, communes, and neighborhoods; and some responsible comrades from neighboring counties, totaling 1,500 persons.

Comrade Zhao Haifeng presided at the rally and made a speech. He said: After Comrade Hu Yaobang arrived in Qinghai, he inspected Hainan, Haixi, Haibei and Haidong Prefectures and Xining City. He went to pastoral areas, villages, towns, factories, mines, construction sites, and PLA units to carry out his inspection. He investigated the state of construction and the natural scene in Qinghai, held extensive contacts with cadres and masses of all nationalities, listened in detail to reports submitted by leaders at all levels and people from various sectors, chatted with people [words indistinct], and made an important speech on being determined like the foolish old man who moved the mountain to develop Qinghai Province.

Seriously studying and implementing Comrade Hu Yaobang's important speech is of extremely important significance for better implementing the line, principles, and policies set by the 12th party congress, implementing the spirit of the 1st Session of the 6th NPC, maintaining political unity with the Central Committee, better carrying forward our achievements, overcoming shortcomings, being determined like the foolish old man who moved the mountain to develop Qinghai Province and speed up the four modernizations in the province. [Words indistinct] and establishing the idea of struggling for a long time.

Comrade Zhao Haifeng stressed the following points concerning how to study and implement Comrade Hu Yaobang's important speech:

1. Launch and organize the cadres at all levels, CPC and CYL members, and the whole body of staff and workers to seriously study Comrade Hu Yaobang's important speech. Profoundly appreciate the spirit, and unify the thinking of all the cadres and masses of all nationalities. It is necessary to make all-round arrangements and combine study of the spirit of Comrade Hu Yaobang's speech with study of the 12th party congress spirit, the "Selected Works of Deng Xiaoping," and the spirit of the 1st Session of the 6th NPC. Study should thus be done in a thoroughly sound way and yield good results.
2. In accordance with the spirit of Comrade Yaobang's speech, and in close cooperation with the reality of our own area and unit, we should put forward specific views and plans for implementation. All areas, departments, and units should organize forces, and combine the leading cadres, the workers, peasant and herdsmen masses, and the intellectuals to carry out detailed and careful studies of a number of major issues raised by Comrade Yaobang and to hold deepgoing and extensive discussions on these issues, and to pool the wisdom of people of all sectors and formulate specific plans and measures. We must first do a good job in our current work and immediately take action to do things that can be done now. As for things that can hardly be done at present, we should work out plans and create conditions for gradually implementing them.

All work should be centered on the core guiding ideology of creating conditions to greet the large-scale development and construction of Qinghai.

3. The leading cadres at all levels must take the lead in studying Comrade Hu Yaobang's important speech, check on and review their own thinking and work in light of its spirit, and strive to improve their style of ideology and work.

4. Taking the conveyance and implementation of the spirit of Comrade Hu Yaobang's speech as a major motive force, we must work hard at economic construction and all current work and ensure the successful completion of all tasks. We must do a good job in concentrating finances and materials to ensure key construction work. All areas and departments must establish the overall viewpoint and ensure the implementation of the strategic policy of the party and state.

Comrade Zhao Haifeng stressed in conclusion: The CPC Central Committee has shown earnest concern for and hope in the cadres, party members, and people of all nationalities in Qinghai. We must all truly take as our motto Comrade Hu Yaobang's call to be determined like the foolish old man who moved the mountain to build Qinghai Province, [words indistinct], work hard at our jobs and make contributions to the motherland's four modernizations drive. This should be our practical deed and answer to the Central Committee's concern for us.

SHAANXI CPC URGES PREPARING AGAINST FLOODS

HK040845 Xian SHAANXI RIBAO in Chinese 25 Jul 83 p 1

[Report: "Provincial CPC Committee and Government Hold an Emergency Telephone Conference 24 July, Calling for Mobilizing the Masses To Make Preparations Against Catastrophic Rainstorm and Flood"]

[Text] Yesterday evening, the Shaanxi Provincial CPC Committee and government held an emergency telephone conference to implement the urgent directives of the CPC Central Committee and the State Council on preventing the catastrophic flood and to make further arrangements in flood prevention work in our province.

The conference was presided over by Dong Jichang, secretary of the provincial CPC Committee. Bai Jinian, provincial vice governor, spoke at the conference.

At present, the main problem in flood prevention work in our province is that the people do not maintain a high vigilance and have not made sufficient preparations to prevent and fight against serious flooding. Leaders at all levels must have a full understanding of the grave situation we are now faced with in flood prevention work this year. According to the forecast by the meteorological department, there will be plenty of rainfall in our province this year. The annual rainfall will register an increase of some 20 to 40 percent over normal years. Since the flood season began, there have already been several heavy rainstorms in our province, which have come earlier than in other years and with more tremendous force. Some areas have already been hit several times. According to incomplete statistics, 23 people died, more than 400,000 mu of farm land were inundated, and more than 3,000 houses were destroyed or damaged during the flood. Some river dikes and dams and water conservancy facilities have also been damaged to varying degrees. Now the flood season has just arrived. Leading comrades at all levels must not relax their vigilance. They must mobilize the masses to make preparations to counter the catastrophic rainstorms and flood at any time.

The conference drew up the following requirements: 1) A general examination of flood prevention work must be carried out immediately by the CPC committees and governments of all prefectures, cities, and counties, as well as all provincial departments, so as to conscientiously do a good job in four aspects: Assign responsibility to leaders, make material preparations for preventing and surmounting floods, organize emergency contingents, and ensure normal communications in case of an emergency. 2) It is necessary to do a good job in the "four ensures" by every possible means through examining the measures for surmounting the flood; that is, to ensure that the dams of all reservoirs will not burst, to ensure that all river dikes and dams will not collapse, to ensure the security of large and medium-sized cities as well as the life and property of the people, and to ensure a good highway and railway transport, communications, and post and telecommunications service. 3) It is necessary to firmly grasp the weak links and to give separate guidance in light of different conditions. In southern Shaanxi mountainous areas, it is necessary to make an advance examination of unsafe zones and houses and to do a good job of forecasting and transmission of rainstorm and flood messages so that necessary preventive measures can be taken as early as possible. In Guanzhong plain and Hanzhong dam areas, it is necessary to repair and reinforce the dikes and dams in good time, especially to reinforce the connective parts of the dikes and dams, so that they can safely surmount the flood. In Sanmenxia reservoir area, a main flood prevention area in our province, it is necessary to make good preparations against possible emergencies in the more than 100 production units 335 meters below the reservoir, for the state may use the reservoir to store floodwater.

In northern Shaanxi, it is necessary to make a careful examination of each reservoir and take corresponding measures in light of concrete problems to ensure that they can safely tide over the flood. It is necessary to earnestly do a good job of flood prevention for 142 unsafe reservoirs in our province. 4) It is necessary to strengthen security work in the struggle against flood. It is necessary to deal a heavy blow to and to resolutely and promptly suppress and punish, according to law, the ringleaders of those who spread rumors and gather crowds in looting and all those criminals who seize this opportunity to loot or steal the property of the state, the collective, and the individuals, or to sabotage flood prevention installations and flood prevention work.

DRYLAND AGRICULTURAL MEETING OPENS IN SHAANXI

OW061235 Beijing Domestic Service in Mandarin 1200 GMT 3 Aug 83

[Text] With approval of the State Council, a meeting on agricultural work in north China's dryland area was opened in Yanan on 3 August. North China's dryland has an agricultural area [nong ye qu 6593 2814 0575] that accounts for 48 percent of the country's land area [guo tu mian ji 0948 0960 7240 4480] and a cultivated area that accounts for 30 percent of all cultivated land in China.

The dryland area has witnessed relatively faster development in agricultural production since the 3d Plenary Session of the 11th CPC Central Committee. Shaanxi's Yanan and Yulin Prefectures and Shanxi's Yanbei Prefecture have become more than self-sufficient in grain supply. In the course of their practice, the cadres, people, and scientists and technicians there have created and accrued an abundance of experience in dealing with drought.

Premier Zhao Ziyang pointed out last March while on an inspection tour in Shaanxi that China cannot rely on irrigation alone to solve its agricultural problems. We must attach much importance to the experiences gained by the masses in growing dryland crops. Experiences ranging from selecting drought-resistant varieties of dryland crops to adopting farming systems and cultivation methods that are useful to preserving soil moisture should all be summed up and popularized, first in one area and then in another, in accordance with local conditions.

Participants in the meeting, held by the Ministry of Agriculture, Animal Husbandry and Fishery, will exchange their experience in developing agriculture in dryland areas and study the steps to be taken to popularize the experiences.

A responsible person of the ministry suggested in his speech at the meeting that, in developing agriculture in north China's dryland areas, there should be a shift in emphasis. Instead of relying too heavily on water conservancy to solve the problem of drought, we should stress developing dryland agriculture while also paying attention to water conservancy projects. Instead of relying too heavily on engineering measures, we should combine engineering and biological measures to solve problems concerning mountains, rivers, soil, grass, forests, and farmlands in a comprehensive way in order to bring about an all-round development of agriculture, forestry, and animal husbandry.

XINJIANG MEETING ON ECONOMIC COOPERATION

HK090254 Urumqi Xinjiang Regional Service in Mandarin 0100 GMT 8 Aug 83

[Summary] According to XINJIANG RIBAO, a regional economic and technical cooperation conference concluded on 6 August.

"The meeting demanded that leaders and cadres at all levels enhance their thinking, unify their understanding, and get a good grasp of and produce good results from the economic and technical cooperation activities launched between Xinjiang and Jiangsu and other provinces and municipalities, which constitute an important means for vigorously developing the region's economy and speeding up the pace of its construction."

This conference was convened by the regional government's economic and technical cooperation office. Regional Economic Committee Deputy Director (Xu Zhenshan) reported on the visit of the regional economic cooperation delegation to Jiangsu and other provinces and municipalities. Regional Government Vice Chairman Tuohuti Shabier spoke on further promoting economic and technical cooperation work. Representatives of various plants also spoke on this topic.

XINJIANG ON ENSURING KEY CONSTRUCTION WORK

HK080648 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 7 Aug 83

[Station commentary: "Acquire an Overall Viewpoint and Ensure Key Construction Work" -- on 25 July-4 August Xinjiang Regional CPC Committee work meeting]

[Text] The work meeting held by the regional CPC Committee, which has just concluded, called for the resolute implementation of the strategic decisions made by the central authorities on concentrating financial and material resources for ensuring key construction work, and urged people to make a success of and support the key construction projects of the state and the autonomous region. The masses and cadres of the whole region, in particular leading cadres at all levels, should lead the people of all nationalities to resolutely carry out what has been called for.

In recent years, there has been a rapid development of the region's economic situation. However, an excellent situation does not imply that everything has been well done. At present, on the economic front, the most prominent problem is that the financial and materials resources are scattered. Consequently, key construction work is not ensured. If this situation remains unchanged or if we fail to carry forward the key construction projects which center on energy resources and communications, the task of laying a foundation in the 1980's will come to nothing and there will be no hope for the success of the revitalization of the economy in the 1990's. This is an important issue which is closely related to the future of the four modernizations and the fundamental interests of the people of all nationalities. We absolutely cannot take it lightly. In order to concentrate financial and material resources and to provide a guarantee for the key construction projects, it is necessary to control the size and scope of the capital construction projects. Our region's economic basis is quite shaky and there is a need to carry out construction work in all areas. However, it can be carried out if financial and material resources permit and on the condition that the key construction projects are ensured. At present, our region's situation is that the sizes and scopes of the capital construction projects are larger than they should be. There is even the phenomenon that the key construction projects and those included in the plans are being eclipsed by ordinary construction projects or those not included in the plans. We must resolutely sort out the construction projects which are being carried out. We should resolutely suspend the projects which are not included in the plans and even those which are included in the plans but which are carried out blindly, which are repetitious, or which give poor economic results in order to release the financial and material resources and to provide a guarantee for key construction projects.

In order to concentrate financial and material resources and to ensure key construction work, it is also necessary to put consumption and [words indistinct] under control. In recent years, the living conditions of the rural and urban populations have improved markedly. In the future, without a doubt, there will still be the need to continue to make improvements. However, in doing good things, we must estimate our own strength and act accordingly. We should continue to carry forward the fine tradition of working hard and building the country through industriousness and thrift, curb and check the practice of indiscriminately meting out premiums or subsidies, and conscientiously protect the interests of the state and the people.

Fundamentally speaking, in concentrating financial and material resources and ensuring key construction work, it is necessary to develop production and increase income. In addition to paying close attention to the key construction projects, it is also necessary to pay close attention to the technical transformation and technical advancement of the existing enterprises and to improve the quality of the enterprises and their economic results. The enterprises can make more contributions to the country only by improving business management, carrying forward technical transformation, making technical innovations, reducing the consumption rate, cutting production costs, and improving the quality of products. They cannot indiscriminately let others share the burden of production costs, raise prices, let the consumers bear a heavier burden, or contend with the state for profits. This way of doing things is extremely erroneous and the enterprises cannot find a way out by doing so.

Let us, at our own posts, make an effort to support the key construction projects and make appropriate contributions to speeding up the four modernizations of our region.

BRIEFS

QINGHAI SPECIALIZED, MAJOR HOUSEHOLDS -- The rural areas in Qinghai Province now have some 12,000 specialized households and major households, which account for 3 percent of the households throughout the province. With the development of the specialized households and major households, the agricultural production situation in the province is changing from being self-sufficient or semiself-sufficient in crops to the production of commodity crops and from traditional agriculture to modernized agriculture. The characteristics of the specialized households and major households are the high rate of commodity and high economic results. [Summary] [Xining Qinghai Provincial Service in Mandarin 1100 GMT 21 Jul 83 HK]

XINJIANG RESOWS CROPS -- By this morning, Xinjiang Region had resown corn, sorghum, soybeans, paddy rice, and vegetables on 2.75 million mu, which is 510,000 mu larger than in the same period last year. Of the 2.75 million mu, 2.28 million mu is grain, 290,000 mu larger than in the corresponding period last year. Kashi Prefecture has now resown crops on some 1.14 million mu, which is some 297,000 mu larger than in the same period last year. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 22 Jul 83 HK]

COMMENTARY VIEWS MIG PILOT'S DEFECTION

OW081509 Taipei CNA in English 1436 GMT 8 Aug 83

[Text] Taipei, Aug. 8 (CNA) -- Following is a commentary "Another Flight to Freedom," aired by the Voice of Free China on Aug. 8.

"We are delighted but not surprised," said Dr James Soong, spokesman for the Government of the Republic of China when he learned yesterday that another Chinese Communist pilot had flown to South Korea in quest of freedom. Yes, the people of the Republic of China are delighted that both pilot and plane landed in safety at a Korean airbase.

The pilot, 46-year-old Colonel Sun Tien-chin, is the highest ranking Chinese Communist officer to defect to freedom. The plane he flew over is a MIG-21, one of the most advanced aircraft in the Chinese Communist Air Force. It is the first plane of its type to be flown to the Free World from Red China and North Korea.

The people in the Republic of China are not surprised by the latest defection because they are convinced that the Peiping regime has been totally rejected by the Chinese people under its rule. Barely three months before Col. Sun's defection to the Republic of Korea, six freedom-seekers in Shenyang, Manchuria, commandeered a passenger airliner on its domestic flight to a Korean airbase. Sun's arrival underscores the justification of their act. According to intelligence reports, two more attempts to seize military aircraft for flight to Taiwan failed in May, the same month when the plane hijacking incident occurred. One of the would-be defectors perished with the plane when it hit a slope outside the airport, while the other was killed in a shootout with the airbase guards.

Col. Sun's successful flight to freedom is all the more remarkable, because the repeated pilot defections and airjacking incidents have prompted Peiping to greatly step up its security measures in recent months. Yet, he was able to beat Peiping's security precautions. It shows that the pursuit of freedom is nonstopable.

Like Major Wu Jung-ken, who flew a MIG-19 to a Korean airbase last October from an airbase in Shantung, Col. Sun chose the Republic of Korea as his first destination because Taiwan is way beyond the range of his Dairen-based MIG-21. Back in 1960, two other communist pilots--Shao Hsi-yen and Kao Yu-tsung -- also piloted their light plane to the Republic of Korea from an airbase in Shantung. The two pilots, like many other freedom-seekers from the Chinese Communist Air Force, have since become officers in the Air Force of the Republic of China. The fact that so many freedom-seekers in Red China have landed in the Republic of Korea also reflects their trust in the country's anticommunist stand and in the traditional friendship between the Republic of Korea and the Republic of China.

So far, the Korean Government has not disappointed them. Seoul will soon announce its decision regarding the six freedom-seekers, which is expected to be in line with the Korean Government's anticommunist policy and traditional Sino-Korean friendship.

As to the case of Col. Sun, there are already two precedents. So he, too, can look forward to an early departure for the Republic of China after the Korean military authorities complete all the necessary procedures.

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